Management's Discussion and Analysis of Operations and Financial Condition
For the three months and year ended December 31, 2022
March 23, 2023

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1. INTRODUCTORY NOTES

GENERAL INFORMATION

This management's discussion and analysis of operations and financial condition ("MD&A") is as of March 23, 2023 and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2022 (the "Consolidated Financial Statements"). The amounts contained herein are in thousands of US Dollars except for number of shares, per share amounts, number of restricted share units ("RSUs") and as otherwise noted.

Except as otherwise noted, all figures herein are presented in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee. This MD&A considers both IFRS and certain non-IFRS measures that management considers when evaluating the Company's operational and financial performance. Non-IFRS measures are a numerical measure of a company's performance, that either include or exclude amounts that are not normally included or excluded from the most directly comparable IFRS measures. Management believes that the non-IFRS measures provide useful supplemental information to investors, analysts, lenders and others. In evaluating non-IFRS measures, investors, analysts, lenders and others should consider that non-IFRS measures do not have any standardized meaning under IFRS and that the methodology applied by the Company in calculating such non-IFRS measures may differ among companies and analysts. Non-IFRS measures should not be considered as a substitute for, nor superior to, measures of financial performance prepared in accordance with IFRS. Definitions and reconciliations of non-IFRS measures to the most directly comparable IFRS measures are included in Section 8 of this MD&A.

A copy of this MD&A and additional information relating to the Company is available under the Company's profile on Canada's System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and on the Company's website at www.itafos.com.

FORWARD-LOOKING INFORMATION

This MD&A contains ''forward-looking information" within the meaning of applicable Canadian securities legislation. Management believes that forward-looking information provides useful supplemental information to investors, analysts, lenders and others. In evaluating forward-looking information, investors, lenders and others should consider that forward looking information may not be appropriate for other purposes and are cautioned not to put undue reliance on forward-looking information. Forward-looking information contained in this MD&A is based on the opinions, assumptions and estimates of management set out herein, which management believes are reasonable as at the date the statements are made. Such opinions, assumptions and estimates are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in forward-looking information. Although the Company has attempted to identify crucial factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Cautionary statements regarding forward-looking information and risks and uncertainties affecting forward-looking information are included in Section 9 of this MD&A.

2. GENERAL COMPANY INFORMATION

OVERVIEW

Itafos Inc. (the "Company") is a phosphate and specialty fertilizer company. The Company's businesses and projects are as follows:

- Conda – a vertically integrated phosphate fertilizer business located in Idaho, US with production capacity as follows:
  - approximately 550kt per year of monoammonium phosphate ("MAP"), MAP with micronutrients ("MAP+"), superphosphoric acid ("SPA"), merchant grade phosphoric acid ("MGA") and ammonium polyphosphate ("APP"); and
  - approximately 27kt per year of hydrofluorosilicic acid ("HFSA");
- Arraias – a vertically integrated phosphate fertilizer business located in Tocantins, Brazil with production capacity as follows:
  - approximately 500kt per year of single superphosphate ("SSP") and SSP with micronutrients ("SSP+"); and
  - approximately 40kt per year of excess sulfuric acid (220kt per year gross sulfuric acid production capacity);
- Farim – a high-grade phosphate mine project located in Farim, Guinea-Bissau;
- Santana – a vertically integrated high-grade phosphate mine and fertilizer plant project located in Pará, Brazil; and
- Araxá – a vertically integrated rare earth elements and niobium mine and extraction plant project located in Minas Gerais, Brazil.

In addition to the businesses and projects described above, the Company also owns Paris Hills (located in Idaho, US) and Mantaro (located in Junin, Peru), which are phosphate mine projects that are in the process of being wound down. As at December 31, 2022, the Company has completed the wind down process of Paris Hills.

The Company is a Delaware corporation that is headquartered in Houston, Texas. The Company's shares trade on the TSX Venture Exchange under the ticker symbol "IFOS". The Company's principal shareholder is CL Fertilizers Holding LLC ("CLF"). CLF is an affiliate of Castlelake, L.P., a global private investment firm (see Notes 1, 15 and 26 in the Consolidated Financial Statements).

As at December 31, 2022 and 2021, the Company had 188,869,463 and 186,814,842 shares outstanding, respectively (see Note 13 in the Consolidated Financial Statements). As at December 31, 2022 and 2021, the Company did not have any other classes of voting securities outstanding. As at March 23, 2023, the Company had 188,869,463 shares and 8,515,527 RSUs outstanding.

BUSINESSES AND PROJECTS

Key highlights of the Company's businesses and projects are as follows:

Item	Conda[i]	Arraias[ii]	Farim	Santana	Araxá
Ownership[iii]	100%	98.4%	100%	99.4%	100%
Location	Idaho, US	Tocantins, Brazil	Farim, Guinea-Bissau	Pará, Brazil	Minas Gerais, Brazil
Status	Operating	Sulfuric acid operating; remainder of operations idled	Construction-ready	Maintaining option	Maintaining option
Mineral Reserves[iv]	13.1Mt at avg. 26.6% P_2O_5	Under review	44.0Mt at avg. 30.0% P_2O_5	Under review	Under review
Measured and Indicated Mineral Resources[iv,v]	50.3Mt at avg. 25.5% P_2O_5	79.0Mt at avg. 4.9% P_2O_5	105.6Mt at avg. 28.4% P_2O_5	60.4Mt at avg. 12.0% P_2O_5	6.3Mt at avg. 5.0% Total Rare Earth Oxides ("TREO") and at avg. 1.0% Nb_2O_5
Inferred Mineral Resources[iv,v]	0.7Mt at avg. 25% P_2O_5	12.7Mt at avg. 3.9% P_2O_5	37.6Mt at avg. 27.7% P_2O_5	26.6Mt at avg. 5.6% P_2O_5	21.9Mt at avg. 4.0% TREO and 0.6% Nb_2O_5
Mine life[iv]	Through mid-2026	Under review	25 years	Under review	Under review
Products	MAP, MAP+, SPA, MGA, APP and HFSA	SSP, SSP+ and excess sulfuric acid	Phosphate rock	SSP and excess sulfuric acid	Rare earth oxides and niobium oxide
Annual production capacity	550kt MAP, MAP+, SPA, MGA, APP and 27kt HFSA	500kt SSP and SSP+ and 40kt excess sulfuric acid (220kt gross sulfuric acid)	1.3Mt	500kt SSP and 30kt excess sulfuric acid	8.7kt rare earth oxides and 0.7kt niobium oxide

i. Conda's operations consist of its mines, beneficiation plant, sulfuric acid plant, phosphoric acid plant and granulation plant. Conda's Mineral Reserves and mine life consider existing mines Rasmussen Valley and Lanes Creek only whereas Measured and Indicated Mineral Resources (including Mineral Reserves) and Inferred Mineral Resources include both existing mines and Husky 1 and North Dry Ridge deposits. Conda's Measured and Indicated Resources (including Mineral Reserves) include 1.3Mt of stockpile ore.

ii. Arraias' operations consist of its mines, beneficiation plant, sulfuric acid plant, acidulation plant and granulation plant. On February 8, 2022, the Company announced the resumption of sulfuric acid production and sales at Arraias. The remainder of Arraias' operations, including its mine, beneficiation plant, acidulation plant and granulation plant remain idled following best practices.

iii. Arraias and Santana's non-controlling interests represented by preferred non-voting shares issued by the Company in 2018 upon exercise of warrants held by creditors under the 2016 Brazilian restructuring proceedings. Under the 2014 Guinea-Bissau Mining Code, the Government of Guinea-Bissau has the right to obtain, free of charge, up to a 10% interest in Farim. The Company expects to grant the free carried interest in Farim to the Government of Guinea-Bissau as part of ongoing revisions to the executed Farim mining agreement.

iv. The Company's technical information, including Mineral Reserves, Measured and Indicated Mineral Resources (including Mineral Reserves), Inferred Mineral Resources and mine life, is presented as of the date of the Company's latest respective technical reports. No recovery, dilution or other similar mining parameters have been applied to the Mineral Resources summarized above.

v. Although the Mineral Resources summarized above are believed to have a reasonable expectation of being extracted economically, they are not Mineral Reserves and there is no certainty that all or any part of the Mineral Resources summarized above will be converted into Mineral Reserves. Mineral Reserves require the application of modifying factors such as recovery, dilution or other similar mining parameters and must be supported with a minimum of a pre-feasibility study. The Inferred Mineral Resources summarized above are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. Where applicable, Mineral Resources and Mineral Reserves presented in dry short tons in the Company's latest respective technical reports have been presented and summarized above in dry tonnes considering a conversion factor of 0.907185.

The Company's latest respective technical reports are as follows:

- Conda – the technical report titled "NI 43-101 Technical Report on Itafos Conda and Paris Hills Mineral Projects, Idaho, USA" with an effective date of July 1, 2019 (the "Conda Technical Report") as announced in the Company's news releases dated October 30, 2019 and December 16, 2019;
- Arraias – the technical report titled "Updated Technical Report Itafós Arraias SSP Project, Tocantins State, Brazil" with an effective date of March 27, 2013;
- Farim – the technical report titled "NI 43-101 Technical Report on the Farim Phosphate Project, Guinea-Bissau" with an effective date of September 14, 2015;
- Santana – the technical report titled "Feasibility Study (FS) Santana Phosphate Project, Pará State, Brazil" with an effective date of October 28, 2013; and
- Araxá – the technical report titled "A Preliminary Economic Assessment in the form of an Independent Technical Report on MBAC Fertilizer Corp. (MBAC) – Araxá Project, Minas Gerais State, Brazil" with an effective date as of October 1, 2012 as amended and restated as of January 25, 2013.

The Company's latest respective technical reports are available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.itafos.com. The Company is in the process of updating the Farim technical report, which is expected to be completed during the second quarter of 2023 (see Section 3).

In addition to the businesses and projects described above, the Company also owns Paris Hills and Mantaro, which are phosphate mine projects that are in the process of being wound down. The Company decided to wind down Paris Hills following completion of the Conda Technical Report, which defined Husky 1/North Dry Ridge ("H1/NDR") as the Company's path forward for mine life extension at Conda and decided to wind down Mantaro as part of its cost savings initiatives. The financial impact of the two projects to the Company is immaterial. As at December 31, 2022, the Company has completed the wind down process of Paris Hills.

The Company's businesses and projects are described in greater detail in its 2022 Annual Information Form ("AIF"), which can be found under the Company's profile on SEDAR at www.sedar.com.

3. HIGHLIGHTS

OVERALL HIGHLIGHTS

For the three months ended December 31,2022

Market Highlights

For the three months ended December 31, 2022, diammonium phosphate (“DAP”) New Orleans (“NOLA”) prices averaged $741/tonne (“t”) ($672/short ton (“st”)) compared to $788/t ($715/st) in Q4 2021, down 6% year-over-year primarily due to softening agriculture and phosphate fertilizer market supply and demand dynamics.

Financial Highlights

For the three months ended December 31, 2022, the Company’s financial highlights were as follows:

- generated revenues of $135,243 in Q4 2022 compared to $116,784 in Q4 2021 with the increase primarily due to higher realized MAP prices (priced on a three-month lag under the MAP offtake agreement), increased sales volumes at Conda and revenues at Arraias related to the 2022 restart of the sulfuric acid plant;
- generated adjusted EBITDA of $50,130 in Q4 2022 compared to $47,939 in Q4 2021 with the increase primarily due to the same factors that resulted in higher revenues, which were partially offset by higher input costs at Conda and higher costs at Arraias related to the restart of the sulfuric acid plant (adjusted EBITDA is a non-IFRS measure; see Section 8 for further details);
- recorded net income of $29,322 in Q4 2022 compared to $24,280 in Q4 2021 with the increase primarily due to lower finance and income tax expenses;
- recorded basic earnings of C$0.21/share in Q4 2022 compared to C$0.16/share in Q4 2021 with the increase primarily due to the same factors that resulted in higher net income; and
- repaid $22,223 of debt, including $7,081 of principal under the Company’s $85,000 term loan (the “Term Loan”) and $15,000 cash drawn under the Company’s $80,000 asset-based revolving credit facility (the “ABL Facility”) (see Note 13 in the Consolidated Financial Statements).

Business Highlights

For the three months ended December 31, 2022, the Company’s business highlights were as follows:

Environmental, health and safety (“EHS”)

- sustained EHS excellence, including no reportable environmental releases and one recordable incident, which resulted in a consolidated Total Recordable Incident Frequency Rate[1] (“TRIFR”) of 0.24, representing a full-year Company record.

[1] TRIFR is a ratio measured on a 12-month rolling average calculated as number of recordable incidents x 200,000 hours divided by the total number of hours worked considering both employees and contractors.

Conda

- produced 89,226 tonnes P_2O_5 at Conda in Q4 2022 compared to 84,808 tonnes P_2O_5 in Q4 2021 with the increase primarily due to uninterrupted sufuric acid supply compared to the prior year where supply was disrupted;
- generated revenues of $129,330 at Conda in Q4 2022 compared to $116,784 in Q4 2021 with the increase primarily due to higher realized MAP prices (priced on a three-month lag under the MAP offtake agreement), increased sales volumes, which were partially offset by lower realized SPA prices;
- generated adjusted EBITDA at Conda of $54,823 in Q4 2022 compared to $52,849 in Q4 2021 with the increase primarily due to the same factors that resulted in higher revenues, which were partially offset by higher input costs; and
- advanced activities related to the extension of Conda's mine life through permitting and development of H1/NDR, including a significant milestone with the publication of the Final EIS for H1/NDR on November 18, 2022.

Other

- produced 35,895 tonnes of sulfuric acid at Arraias in Q4 2022 compared to zero production in Q4 2021;
- generated adjusted EBITDA at Arraias of $0 in Q4 2022 compared to $(1,116) in Q4 2021 with the reduced deficit due to the restart of the sulfuric acid plant; and
- continued evaluation of strategic alternatives for non-North American assets.

For the year ended December 31, 2022

Market Highlights

For the year ended December 31, 2022, DAP NOLA prices averaged $851/t ($772/st) compared to $664/t ($602/st) in 2021, up 28% year-over-year driven by strong agriculture and phosphate fertilizer market supply and demand dynamics.

Financial Highlights

For the year ended December 31, 2022, the Company’s financial highlights were as follows:

- generated revenues of $593,288 in 2022 compared to $413,247 in 2021 with the increase primarily due to higher realized prices and increased sales volumes at Conda and revenues at Arraias related to the 2022 restart of the sulfuric acid plant;
- generated adjusted EBITDA of $224,758 in 2022 compared to $143,425 in 2021 with the increase primarily due to the same factors that resulted in higher revenues, which were partially offset by higher input costs at Conda and higher costs at Arraias related to the restart of the sulfuric acid plant;
- recorded net income of $114,700 in 2022 compared to $51,439 in 2021 with the increase primarily due to the same factors that resulted in higher adjusted EBITDA, which were partially offset by higher finance and income tax expenses;
- recorded basic earnings of C$0.79/share in 2022 compared to C$0.35/share in 2021 with the increase primarily due to the same factors that resulted in higher net income;
- entered into two three-year credit facilities (the “Credit Facilities”) pursuant to which the lenders have advanced (i) the Term Loan to the Company and made available a $35,000 letter of credit facility (the “LC Facility”) and (ii) the ABL Facility (see Note 13 in the Consolidated Financial Statements);
- repaid the existing secured term loan (the “2021 Term Loan”), Conda’s secured working capital facility (the “Conda ABL”), the Company’s unsecured and subordinated promissory note (the “Promissory Note”), and the Canadian debentures (see Note 13 in the Consolidated Financial Statements); and
- repaid $7,081 of principal under the Term Loan and $15,000 cash drawn under the ABL Facility (see Note 13 in the Consolidated Financial Statements).

Business Highlights

For the year ended December 31, 2022, the Company's business highlights were as follows:

EHS

- sustained EHS excellence, including no reportable environmental releases and two recordable incidents, which resulted in a consolidated TRIFR of 0.24, representing a full-year Company record;
- received national recognition during the 87th North American Wildlife and Natural Resources Conference as the Bureau of Land Management ("BLM") awarded the Conservation Leadership Partner Award to the Southeast Idaho Habitat Mitigation Fund, which was developed and funded by Conda; and
- received a Notice of Violation ("NOV") at Conda from the Department of Environmental Quality ("DEQ") related to a failed air stack emissions test in May 2021. Conda investigated and corrected the issues during 2021. The NOV was formally received from the DEQ in May 2022 and resolved in July 2022.

Conda

- completed a scheduled short plant turnaround at Conda and returned to full production capacity;
- produced 343,526 tonnes P_2O_5 at Conda in 2022 compared to 331,219 tonnes P_2O_5 in 2021 with the increase primarily due to a shorter plant turnaround in 2022 compared to 2021 and uninterrupted sufuric acid supply compared to the prior year where supply was disrupted;
- generated revenues of $571,074 at Conda in 2022 compared to $413,247 in 2021 primarily due to higher realized prices and sales volumes;
- generated adjusted EBITDA at Conda of $240,169 in 2022 compared to $160,582 in 2021 primarily due to the same factors that resulted in higher revenues, which were partially offset by higher input costs;
- reached a settlement with insurers on a business interruption claim related to the 2020 disruption in sulfuric acid supply to Conda, which resulted in receipt of net insurance proceeds of $8,675 (see Note 20 in the Consolidated Financial Statements);
- reached a settlement agreement related to shared environmental and asset retirement obligations at Conda's Lanes Creek mine (see Notes 3 and 12 in the Consolidated Financial Statements);
- purchased mining equipment at Conda in exchange for a note payable of $3,930 (see Note 13 in the Consolidated Financial Statements);
- advanced activities related to the extension of Conda's mine life through permitting and development of H1/NDR, including a significant milestone on Conda's mine life extension with the publication of the Final EIS for H1/NDR on November 18, 2022; and
- advanced activities related to the optimization of Conda's EBITDA generation, including beginning production and sales of hydrofluorosilicic acid.

Other

- produced 99,030 tonnes of sulfuric acid at Arraias in 2022 compared to no production in 2021;
- generated adjusted EBITDA at Arraias of $(66) in 2022 compared to $(3,814) in 2021 with the reduced deficit due to the restart of the sulfuric acid plant;
- continued evaluation of strategic alternatives for non-North American assets;
- on April 18, 2022, announced the appointment of Stephen Shapiro and Isaiah Toback to the Company's Board of Directors. Mr. Toback replaced Rory O'Neill as a nominee to the Company's Board of Directors by its principal shareholder, CLF; and
- on August 11, 2022, announced the appointment of Matthew O'Neill as Chief Financial Officer ("CFO"). Mr. O'Neill succeeded George Burdette who served as CFO since April 2018.

As at December 31, 2022

As at December 31, 2022, the Company's financial highlights were as follows:

- generated trailing 12 months adjusted EBITDA of $224,758 compared to $143,425 as at December 31, 2021 with the increase primarily due to the same factors that resulted in higher revenues, which were partially offset by higher input costs at Conda and higher costs at Arraias related to the restart of the sulfuric acid plant (trailing 12 months adjusted EBITDA is a non-IRFS measure; see Section 8 for further details);
- reduced net debt to $88,319 compared to $217,706 as at December 31, 2021, with the reduction due to the repayment of principal debt outstanding from free cash flows generated during 2022 and the closing of the Term Loan and ABL Facility, which proceeds were used to refinance the 2021 Term Loan, the Promissory Note, the Conda ABL and the Canadian debentures, and higher cash and cash equivalents (net debt and free cash flow are non-IFRS measures; see Section 8 for further details); and
- reduced net leverage ratio to 0.4x compared to 1.5x as at December 31, 2021 with the reduction due to higher trailing 12 months adjusted EBITDA and lower net debt (see Section 8).

Subsequent to December 31, 2022

Subsequent to December 31, 2022, the Company approved the grant of up to, in aggregate, 3,507,846 RSUs under its RSU Plan. The grants were made to directors, officers, employees and consultants of the Company.

Commencement of Strategic Alternatives Review Process

On March 13, 2023, the Company announced that the Board of Directors has commenced a process to explore and evaluate various strategic alternatives that may be available to the Company in an effort to enhance shareholder value.

The Board of Directors has formed a committee of independent directors (the "Independent Committee") to oversee the process. As part of this process, the Independent Committee, working together with its advisors and the management team, will consider a wide range of potentially value enhancing alternatives, including, among other things, the sale of the Company, a merger with another strategic partner, a recapitalization or continued execution of the Company's attractive long-term business plan. CLF, an entity owned by funds managed by Castlelake and the Company's largest shareholder, supports the Company's process to review strategic alternatives.

There can be no assurance that the strategic alternatives review process will result in the Company pursuing any transaction or that any alternative transaction will be available to the Company. Neither the Board of Directors nor the Independent Committee has set a timetable for completion of this process and the Company does not intend to disclose further developments unless and until it determines that further disclosure is appropriate or necessary.

MARKET HIGHLIGHTS

For the three months and years ended December 31, 2022 and 2021, key phosphate fertilizer market indicators relevant to the Company's operations were as follows:

(in US Dollars per metric tonne except as otherwise noted)	For the three months ended December 31, 2022	2021	% change	For the year ended December 31, 2022	2021	% change
DAP NOLA[i]	$ 741	$ 788	(6%)	$ 851	$ 664	28%
DAP NOLA ($/st)[i]	672	715	(6%)	772	602	28%
Sulfur Vancouver[ii]	141	207	(32%)	262	177	48%
Sulfur Brazil[iii]	181	278	(35%)	311	253	23%
Sulfuric Acid Brazil[iii]	123	263	(53%)	225	200	13%

i. Average of Argus and Green Markets weekly average.
ii. Average of Argus weekly and Acuity average.
iii. Average of Argus weekly average.

For the three months ended December 31, 2022 and 2021, key phosphate fertilizer market indicators relevant to the Company's operations were explained as follows:

Item	Q4 2022 vs Q4 2021
DAP NOLA	Decreased primarily due to softening agriculture and phosphate fertilizer market supply and demand dynamics
Sulfur Vancouver	Decreased primarily due to increased supply and weakened global demand from phosphate producers
Sulfur Brazil	Decreased primarily due to increased supply and weakened global demand from phosphate producers
Sulfuric Acid Brazil	Decreased primarily due to increased domestic production and increased imports

For the years ended December 31, 2022 and 2021, key phosphate fertilizer market indicators relevant to the Company's operations were explained as follows:

Item	YTD 2022 vs YTD 2021
DAP NOLA	Increased primarily due to continued strong agriculture and phosphate fertilizer market supply and demand dynamics
Sulfur Vancouver	Increased primarily due to strong global demand from phosphates and metals consumers, while supply remained limited
Sulfur Brazil	Increased primarily due to higher international sulfur prices and freight rates and strong demand for fertilizer and other applications in Brazil
Sulfuric Acid Brazil	Increased primarily due to the same factors that resulted in higher sulfur prices in Brazil

For the year ended December 31, 2022 and 2021, specific factors driving the year-over-year improvements in DAP NOLA were as follows:

- limited phosphate capacity additions;
- multi-year low stocks-to-use ratios for global coarse grains and oilseeds supporting fertilizer relative affordability;
- historically high crop prices in 2022;
- the breakout of war in Ukraine and the threat of limited phosphate exports out of Russia; and
- continued restrictions and controls on exports of phosphate from China.

FINANCIAL HIGHLIGHTS

For the three months and years ended December 31, 2022 and 2021, the Company's financial highlights were as follows:

(in thousands of US Dollars except as otherwise noted)	*For the three months ended December 31,* 2022	2021	% change	*For the year ended December 31,* 2022	2021	% change
Revenues	$ 135,243	$ 116,784	16%	$ 593,288	$ 413,247	44%
Gross margin	48,133	45,913	5%	214,877	136,875	57%
Adjusted EBITDA[i]	50,130	47,939	5%	224,758	143,425	57%
Net income	29,322	24,280	21%	114,700	51,439	123%
Basic earnings ($/share)	$ 0.16	$ 0.13	23%	$ 0.61	$ 0.28	118%
Basic earnings (C$/share)	$ 0.21	$ 0.16	31%	$ 0.79	$ 0.35	126%
Diluted earnings ($/share)	$ 0.15	$ 0.13	15%	$ 0.60	$ 0.27	122%
Diluted earnings (C$/share)	$ 0.21	$ 0.16	31%	$ 0.78	$ 0.34	129%
Maintenance capex[i]	$ 3,759	$ 3,193	18%	$ 20,902	$ 23,301	(10%)
Growth capex[i]	6,146	3,151	95%	19,014	11,501	65%
Total Capex[i]	**$ 9,905**	**$ 6,344**	**56%**	**$ 39,916**	**$ 34,802**	**15%**
Free cash flow[i]	$ 38,615	$ 28,848	34%	$ 187,854	$ 71,290	164%

i. Non-IFRS measure (see Section 8).

For the three months ended December 31, 2022 and 2021, the Company's financial highlights were explained as follows:

Item	Q4 2022 vs Q4 2021
Revenues	Increased primarily due to higher realized MAP prices (priced on a three month lag under the MAP offtake project) and sales volumes at Conda and revenues at Arraias related to the 2022 restart of the sulfuric acid plant, which were partially offset by lower realized SPA prices at Conda
Adjusted EBITDA	Increased primarily due to the same factors that resulted in higher revenues, which were partially offset by higher input costs at Conda and higher costs at Arraias related to the restart of the sulfuric acid plant (see Section 8)
Net income	Increased primarily due to lower finance and income tax expenses
Basic earnings (C$/share)	Increased primarily due to the same factors that resulted in higher net income
Maintenance capex	Increased primarily due to the timing of maintenance projects at Conda and maintenance activities at Arraias related to the restart of the sulfuric acid plant (see Section 8)
Growth capex	Increased primarily due to the timing of activities related to H1/NDR at Conda (see Section 8)
Free cash flow	Increased primarily due to higher cash flows from operating activities due to the same factors that resulted in higher EBITDA, which were partially offset by higher working capital requirements (see Section 8)

ITAFOS

For the years ended December 31, 2022 and 2021, the Company's financial highlights were explained as follows:

Item	YTD 2022 vs YTD 2021
Revenues	Increased primarily due to higher realized prices and sales volumes at Conda and revenues at Arraias related to the 2022 restart of the sulfuric acid plant
Adjusted EBITDA	Increased primarily due to the same factors that resulted in higher revenues, which were partially offset by higher input costs at Conda and higher costs at Arraias related to the restart of the sulfuric acid plan (see Section 8)
Net income	Increased primarily due to the same factors that resulted in higher adjusted EBITDA, which were partially offset by higher finance expenses associated with the exit fees and loss on debt extinguishment related to the 2021 December Term Loan, the Promissory Note and the Conda ABL and higher income tax expenses
Basic earnings (C$/share)	Increased primarily due to the same factors that resulted in higher net income
Maintenance capex	Decreased primarily due to a shorter turnaround at Conda in 2022 compared to 2021, which was partially offset by activities at Arraias related to the restart of the sulfuric acid plant (see Section 8)
Growth capex	Increased primarily due to activities related to the initiative to produce and sell HFSA at Conda (see Section 8)
Free cash flow	Increased primarily due to higher cash flows from operating activities due to the same factors that resulted in higher EBITDA and higher other income due to a settlement with insurers on a business interruption claim related to the 2020 disruption in sulfuric acid supply to Conda, which were partially offset by higher working capital requirements (see Section 8)

As at December 31, 2022 and 2021, the Company's financial highlights were as follows:

(in thousands of US Dollars except as otherwise noted)	December 31, 2022	December 31, 2021	% change
Total assets	$ 614,009	$ 633,853	(3%)
Total liabilities	360,891	499,248	(28%)
Total equity	253,118	134,605	88%
Net debt[i]	$ 88,319	$ 217,706	(59%)
Trailing 12 months adjusted EBITDA[i]	$ 224,758	$ 143,425	57%
Net leverage ratio[i]	0.4x	1.5x	(73%)

i. Non-IFRS measure (see Section 8).

As at December 31, 2022 and 2021, the Company's financial highlights were explained as follows:

Item	December 31, 2022 vs December 31, 2021
Total assets	Decreased primarily due to lower accounts receivable, property, plant and equipment and mineral properties, which were partially offset by higher cash and cash equivalents and inventories
Total liabilities	Decreased primarily due to lower debt as a result of the repayment of principal debt outstanding and the closing of the Term Loan and ABL Facility and lower environmental and asset retirement obligations ("ARO") (due to adjustment for inflation and discount rate)
Total equity	Increased primarily due to net income recorded during the period
Net debt	Decreased primarily due to the repayment of principal debt outstanding from free cash flows generated and the closing of the Term Loan and ABL Facility, which proceeds were used to refinance the 2021 Term Loan, the Promissory Note, the Conda ABL and the Canadian debentures and higher cash and cash equivalents (see Section 8)
Trailing 12 months adjusted EBITDA	Increased primarily due to the same factors that resulted in higher adjusted EBITDA (see Section 8)
Net leverage ratio	Decreased due to the same factors that resulted in higher trailing 12 months adjusted EBITDA and lower net debt (see Section 8)

BUSINESS HIGHLIGHTS

EHS

For the three months and years ended December 31, 2022 and 2021, the Company's consolidated EHS highlights were as follows:

	For the three months ended December 31,		*For the year ended December 31,*	
	2022	**2021**	**2022**	**2021**
Reportable environmental releases	—	—	—	—
Recordable incidents	1	—	2	3

As at December 31, 2022, the Company's consolidated TRIFR was 0.24.

Conda

EHS Highlights

For the three months and years ended December 31, 2022 and 2021, Conda's EHS highlights were as follows:

	For the three months ended December 31,		*For the year ended December 31,*	
	2022	**2021**	**2022**	**2021**
Reportable environmental releases	—	—	—	—
Recordable incidents	1	—	1	3

As at December 31, 2022, Conda's TRIFR was 0.17.

BLM Award

On March 10, 2022, Conda received national recognition from the BLM during the 87th North American Wildlife and Natural Resources Conference. The BLM awarded the Conservation Leadership Partner Award to the Southeast Idaho Habitat Mitigation Fund, which was developed and funded by Conda. This award recognizes external organizations, or individuals representing a conservation organization, for outstanding partnership in the development and implementation of conservation programs and activities that have directly benefited fish, wildlife, and/or native plants on public lands. In 2017, Conda funded $1.2 million to the Southeast Idaho Habitat Mitigation Fund to mitigate impacts of its Rasmussen Valley mine. Conda's contribution led to additional investment of $3.5 million in federal, state, and private funds for a total of $4.7 million to further enhance wildlife habitat projects.

Notice of Violation

During Q2 2022, Conda received a NOV from the DEQ following a failed air stack emissions test in May 2021. The NOV listed violations related to the failed test and failure to submit an excess emissions notification and report. The issues were investigated and corrected during 2021. The NOV was formally received from the DEQ in May 2022 and resolved in July 2022, including payment of a de minimis fine.

Plant Turnaround

During June 2022, Conda completed its scheduled short plant turnaround and returned to full production capacity. Conda's plant turnaround was completed on schedule and within budget. The plant turnaround focused on inspection, testing, repair and preventative maintenance of critical equipment.

HFSA Production

In June 2022, Conda successfully completed the HFSA plant and commenced HFSA production. HFSA production achieved full capacity in the beginning of Q3 2022, with ongoing HFSA deliveries being completed under long-term offtake agreement.

Final EIS

In November 2022, the Final EIS for the H1/NDR mine development project was published in the Federal Register. This represents a significant milestone in the extension of Conda's mine life. The Final EIS was prepared under NEPA by the BLM and the US Department of Agriculture Forest Service. The requisite comment period was correspondingly initiated and completed, with the BLM's final decision on a proposed action expected in Q2 2023.

ITAFOS

Business Highlights

For the three months and years ended December 31, 2022 and 2021, Conda's business highlights were as follows:

(in thousands of US Dollars except as otherwise noted)	*For the three months ended December 31,* 2022	2021	% change	*For the year ended December 31,* 2022	2021	% change
Production volumes (tonnes)						
MAP	87,189	76,217	14%	352,733	292,296	21%
MAP+	13,938	7,108	96%	30,202	69,779	(57%)
SPA[ii]	35,962	36,085	(0%)	139,230	139,835	(0%)
MGA[ii]	188	187	1%	783	576	37%
APP	6,769	18,031	(62%)	24,450	34,117	(28%)
HFSA	1,628	—	n/m	3,142	—	n/m
Production volumes (tonnes)	**145,674**	**137,628**	**6%**	**550,540**	**536,603**	**3%**
Production volumes (tonnes P_2O_5)[i]	**89,226**	**84,808**	**5%**	**343,526**	**331,219**	**4%**
Sales volumes (tonnes)						
MAP	73,451	67,769	8%	349,589	287,652	22%
MAP+	11,929	10,931	9%	34,631	61,635	(44%)
SPA[ii]	34,240	29,907	14%	131,999	129,257	2%
MGA[ii]	188	187	(0%)	783	576	36%
APP	7,597	15,295	(50%)	22,493	30,199	(26%)
HFSA	1,448	—	n/m	2,852	—	n/m
Sales volumes (tonnes)	**128,853**	**124,089**	**4%**	**542,347**	**509,319**	**6%**
Sales volumes (tonnes P_2O_5)[i]	**79,858**	**74,797**	**7%**	**335,722**	**313,717**	**7%**
Realized price ($/tonne)[iii]						
MAP	$ 835	$ 730	14%	$ 880	$ 606	45%
MAP+	806	754	7%	849	641	32%
SPA[ii]	1,507	1,635	(8%)	1,616	1,392	16%
MGA[ii]	1,569	1,717	(9%)	1,648	1,497	10%
APP	695	643	8%	746	612	22%
HFSA	827	—	n/m	919	—	n/m
Revenues ($)						
MAP	$ 61,353	$ 49,491	24%	$ 307,656	$ 174,424	76%
MAP+	9,614	8,242	17%	29,391	39,536	(26%)
SPA	51,591	48,890	6%	213,330	179,932	19%
MGA	295	321	(8%)	1,290	862	50%
APP	5,279	9,840	(46%)	16,785	18,493	(9%)
HFSA	1,198	—	n/m	2,622	—	n/m
Revenues	**$ 129,330**	**$ 116,784**	**11%**	**$ 571,074**	**$ 413,247**	**38%**
Revenues per tonne P_2O_5[i, iii]	**$ 1,620**	**$ 1,561**	**4%**	**$ 1,701**	**$ 1,317**	**29%**
Cash costs[iii]	**$ 72,959**	**$ 63,159**	**16%**	**$ 325,009**	**$ 248,512**	**31%**
Cash costs per tonne P_2O_5[i, iii]	**$ 914**	**$ 844**	**8%**	**$ 968**	**$ 792**	**22%**
Cash margin[iii]	**$ 56,371**	**$ 53,625**	**5%**	**$ 246,065**	**$ 164,735**	**49%**
Cash margin per tonne P_2O_5[i, iii]	**$ 706**	**$ 717**	**(2%)**	**$ 733**	**$ 525**	**40%**
Adjusted EBITDA[iii]	$ 54,823	$ 52,849	4%	$ 240,169	$ 160,582	50%
Maintenance capex[iii]	$ 3,689	$ 1,924	92%	$ 19,386	$ 21,986	(12%)
Growth capex[iii]	5,823	3,113	87%	16,640	10,324	61%
Total capex[iii]	**$ 9,512**	**$ 5,037**	**89%**	**$ 36,026**	**$ 32,310**	**12%**

i. P_2O_5 basis considers MAP at 52%, MAP+ at 39%, SPA at 100%, MGA at 100%, APP at 34% and HFSA at 0%.
ii. Presented on a 100% P_2O_5 basis.
iii. Non-IFRS measure (see Section 8).

For the three months ended December 31, 2022 and 2021, Conda's business highlights were explained as follows:

Item	Q4 2022 vs Q4 2021
Production volumes (tonnes P_2O_5)	Increased primarily due to uninterrupted sulfuric acid supply compared to the prior year where supply was disrupted
Sales volumes (tonnes P_2O_5)	Increased primarily due to higher production volumes
Revenues	Increased primarily due to higher realized MAP prices (priced on a three month lag under the MAP offtake agreement) and higher sales volumes, which were partially offset by lower realized SPA prices
Cash margin per tonne P_2O_5	Decreased primarily due to lower realized SPA prices and higher input costs, partially offset by higher realized MAP prices (see Section 8)
Adjusted EBITDA	Increased primarily due to the same factors that resulted in higher revenues, which were partially offset by higher input costs (see Section 8)
Maintenance capex	Increased primarily due to timing of projects (see Section 8)
Growth capex	Increased primarily due to timing of activities related to H1/NDR, partially offset by HFSA spend in 2021. (see Section 8)

For the years ended December 31, 2022 and 2021, Conda's business highlights were explained as follows:

Item	YTD 2022 vs YTD 2021
Production volumes (tonnes P_2O_5)	Increased primarily due to a shorter turnaround in 2022 compared to 2021 and uninterrupted sulfuric acid supply compared to the prior year where supply was disrupted
Sales volumes (tonnes P_2O_5)	Increased primarily due to higher production volumes
Revenues	Increased primarily due to higher realized prices and higher sales volumes
Cash margin per tonne P_2O_5	Increased primarily due to higher realized prices, which were partially offset by higher input costs (see Section 8)
Adjusted EBITDA	Increased primarily due to the same factors that resulted in higher revenues, which were partially offset by higher input costs (see Section 8)
Maintenance capex	Decreased primarily due to a shorter turnaround in 2022 compared to 2021 (see Section 8)
Growth capex	Increased primarily due to activities related to advancement of H1/NDR (see Section 8)

Insurance Settlement

During Q1 2022, Conda reached a settlement with insurers on a business interruption claim related to the 2020 disruption in sulfuric acid supply. As a result of the settlement, Conda received net insurance proceeds of $8,675 (see Note 17 in the Consolidated Financial Statements).

Lanes Creek Mine Settlement

During Q2 2022, Conda reached a settlement with wholly-owned subsidiaries of Nutrien Ltd. ("Nutrien") related to shared environmental and asset retirement obligations at Lanes Creek mine. As a result of the settlement, Conda received an upfront cash payment of $11,000 from Nutrien in exchange for assuming responsibility for 100% of the remaining environmental and asset retirement obligations associated with Lanes Creek mine. As a result of the settlement, Conda recorded an addition to environmental and asset retirement obligations of $4,972, reduced accounts receivable by $4,676 and recorded a gain on settlement of $1,352 as a reduction of cost of goods sold. The settlement does not otherwise amend or restate Nutrien's liability for all environmental and asset retirement obligations related to the pre-closing operations of Conda, including with respect to Environmental Protection Agency matters (see Notes 3, 12 and 23 in the Consolidated Financial Statements).

Conda Guarantees

Conda's operating and environmental permits require certain obligations related to environmental and reclamation activities to be guaranteed. As at December 31, 2022, Conda's guarantee requirements were $77,739. As at December 31, 2022, Conda had surety bonds in place for the full amount of its $77,739 guarantee requirements. As at December 31, 2022, the Company posted letters of credit of $32,793 under the LC Facility as collateral for Conda's surety bonds (see Notes 13 and 23 in the Consolidated Financial Statements).

Conda ABL

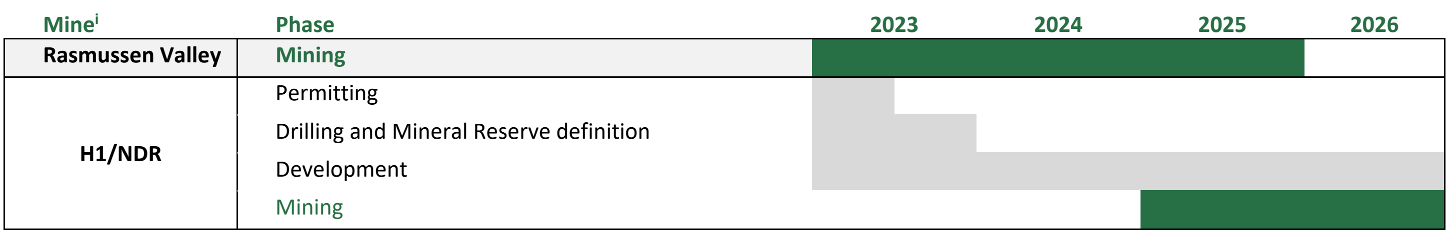
During Q1 2022, Conda repaid $5,000 cash drawn under the Conda ABL. On September 22, 2022, Conda repaid the Conda ABL in full (see Note 13 in the Consolidated Financial Statements).

Conda Equipment Financing

During Q2 2022, Conda purchased mining equipment in exchange for a note payable of $3,930 that matures on April 23, 2027. The note payable bears interest at 4.75% per annum with an upfront principal payment of $1,000 and equal monthly installments of principal and iinterest thereafter through maturity (see Note 13 in the Consolidated Financial Statements).

Mine Life Extension

As at December 31, 2022, Conda's expected mine life timeline was as follows:



i. Lanes Creek reached end of mine life in 2020

For the three months and the year ended December 31, 2022, the Company advanced activities related to the extension of Conda's mine life through permitting and development of H1/NDR as follows:

- advanced permitting, including progression of the NEPA process (next key milestone is Record of Decision, which will be the end of the NEPA process);
- advanced drilling and Mineral Reserve definition, including completion of a comprehensive 2022 drilling program; and
- advanced development, including engineering of key infrastructure and progression of related magnesium oxide reduction initiatives to enhance SPA production and sales volumes, including continuation of test work.

The Company's activities related to the extension of Conda's mine life through permitting and development of H1/NDR, including timeline and key permitting milestones, are described in greater detail in management's discussion and analysis of operations and financial condition for the year ended December 31, 2021 (the "2021 MD&A").

As at December 31, 2022, the Company has advanced H1/NDR key permitting milestones as follows:

Key Milestones	Status
Submit Mine and Reclamation Plan to the BLM	Submitted in April 2020
Initial Action Notice	Submitted in October 2020
Notice of Intent (represents start of NEPA process)	Published in December 2020
Draft EIS	Published in October 2021
Final EIS	Published in November 2022
Record of Decision (“ROD”) (represents end of NEPA process)	To follow final EIS
Notice to proceed	To follow ROD

EBITDA Optimization

For the year ended December 31, 2022, the Company advanced activities related to optimizing Conda’s EBITDA generation as follows:

- Completed a half year of HFSA production and sales in 2022 after commencing production and sales of HFSA at the end of Q2 2022.

The Company’s activities related to optimizing Conda’s EBITDA generation are described in greater detail in the 2021 MD&A.

Arraias

EHS Highlights

For the three months and years ended December 31, 2022 and 2021, Arraias’ EHS highlights were as follows:

	For the three months ended December 31,		*For the year ended December 31,*	
	2022	**2021**	**2022**	**2021**
Reportable environmental releases	—	—	—	—
Recordable incidents	—	—	1	—

As at December 31, 2022, Arraias’ TRIFR was 0.60.

Idling and Sulfuric Acid Plant Restart

On November 21, 2019, the Company announced its decision to idle Arraias. On October 20, 2021, the Company announced its decision to restart the sulfuric acid plant at Arraias. On February 8, 2022, the Company announced the resumption of sulfuric acid production and sales at Arraias. Subsequent to the restart, the Company decided in March 2022 to conduct further maintenance activities at the sulfuric acid plant, which were completed in May 2022. The remainder of Arraias’ operations, including its mine, beneficiation plant, acidulation plant and granulation plant remain idled following best practices.

Arraias’ sulfuric acid plant has production capacity of 220kt per year. The Company expects to operate the sulfuric acid plant at Arraias with a base load capacity of approximately 10.5kt per month. Arraias has secured short-term sulfuric acid offtake agreements for its base load capacity with pricing linked to sulfur benchmarks. Based on market demand and sulfuric acid plant availability, the Company expects to opportunistically produce additional volumes of sulfuric acid to be sold on the spot market.

The restart of the sulfuric acid plant at Arraias is independent of the previously announced program to evaluate the potential restart of fertilizer production at Arraias (the “Fertilizer Restart Program”).

<u>Fertilizer Restart Program</u> (formerly referred to as the Stage-Gate Restart Program)

During Q2 2020, the Company launched the Fertilizer Restart Program to evaluate the potential restart of fertilizer production at Arraias.

The first step in the Fertilizer Restart Program was the development of a revised geological model and mine plan for the Domingos pit in order to verify the ability to deliver a constant ore grade to the beneficiation process. The revised geological model and mine plan, which cover a three-year horizon, were completed during Q3 2022.

The second step in the Fertilizer Restart Program was the development of a cost estimate and project execution schedule for the potential restart of the fertilizer circuit at Arraias. The second step considered two scenarios, including (i) a potential restart of the fertilizer circuit using third party phosphate rock and (ii) a potential restart of the fertilizer circuit and required modifications to the beneficiation circuit taking into account the previously completed revised geological model and mine plan. The second step was completed during Q3 2022.

During Q4 2022, the Company further advanced the Fertilizer Restart Program by developing prefeasibility study-level operating and capital cost estimates for the short-term mine plan schedule. The study demonstrated that the required quality to the plant was achievable with sufficient prestripping of overburden, use of external stockpiles and sufficient levels of ore rehandling from the stockpiles to the stacker/reclaimer. In addition, a pit optimization analysis was completed targeting only the higher-grade Breccia and Conglomerate ore zones.

The Company’s activities related to the Fertilizer Restart Program at Arraias, which was formerly referred to as the stage-gate restart program, are described in greater detail in the 2020 MD&A and the 2021 MD&A.

Business Highlights

For the three months and years ended December 31, 2022 and 2021 , Arraias' business highlights were as follows:

(in thousands of US Dollars except as otherwise noted)	*For the three months ended December 31,* 2022	2021	% change	*For the year ended December 31,* 2022	2021	% change
Production volumes (tonnes)						
SSP	—	—	n/m	—	—	n/m
SSP+	—	—	n/m	—	—	n/m
Sulfuric acid ii	35,895	—	n/m	99,030	—	n/m
Production volumes (tonnes)	**35,895**	**—**	n/m	**99,030**	**—**	n/m
Production volumes (tonnes P_2O_5)[i]	**—**	**—**	n/m	**—**	**—**	n/m
Sales volumes (tonnes)						
SSP	—	—	n/m	—	—	n/m
SSP+	—	—	n/m	—	—	n/m
Sulfuric acid	29,515	—	n/m	89,607	—	n/m
Sales volumes (tonnes)	**29,515**	**—**	n/m	**89,607**	**—**	n/m
Sales volumes (tonnes P_2O_5)[i]	**—**	**—**	n/m	**—**	**—**	n/m
Realized price ($/tonne)[iii]						
SSP	$ —	$ —	n/m	$ —	$ —	n/m
SSP+	—	—	n/m	—	—	n/m
Sulfuric acid	165	—	n/m	224	—	n/m
Revenues ($)						
SSP, net	$ —	$ —	n/m	$ —	$ —	n/m
SSP+, net		—	n/m	—	—	n/m
Sulfuric acid	5,913	—	n/m	22,214	—	n/m
Revenues	**$ 5,913**	**$ —**	**n/m**	**$ 22,214**	**$ —**	**n/m**
Revenues per tonne P_2O_5[i, iii]	**$ —**	**$ —**	**n/m**	**$ —**	**$ —**	**n/m**
Cash costs[iii]	**$ 5,212**	**$ —**	**n/m**	**$ 19,901**	**$ —**	**n/m**
Cash costs per tonne P_2O_5[i, iii]	**$ —**	**$ —**	**n/m**	**$ —**	**$ —**	**n/m**
Cash margin[iii]	**$ 701**	**$ —**	**n/m**	**$ 2,313**	**$ —**	**n/m**
Cash margin per tonne P_2O_5[i, iii]	**$ —**	**$ —**	**n/m**	**$ —**	**$ —**	**n/m**
Adjusted EBITDA[iii]	$ —	$ (1,116)	n/m	$ (66)	$ (3,814)	n/m
Maintenance capex[iii]	$ 70	$ 1,238	n/m	$ 1,497	$ 1,238	n/m
Growth capex[iii]	114	(30)	(48)%	890	512	(48)%
Total capex[iii]	**$ 184**	**$ 1,208**	**77%**	**$ 2,387**	**$ 1,750**	**77%**

i. P_2O_5 basis considers SSP and SSP+ at 17% and sulfuric acid at 0%.
ii. Sulfuric acid production volumes are presented net of production for internal consumption.
iii. Non-IFRS measure (see Section 8).

For the three months and year ended December 31, 2022 and 2021, Arraias' business highlights were explained as follows:

Item	Q4 and YTD 2022 vs Q4 and YTD 2021
Sulfuric acid production and sales volumes	Increased due to restart of the sulfuric acid plant
Adjusted EBITDA	Increased primarily due to the restart of the sulfuric acid plant, which were partially offset by higher input costs related to the restart of the sulfuric acid plant (see Section 8)
Maintenance capex	Increased primarily due to capital costs related to the restart of the sulfuric acid plant (see Section 8)
Growth capex	Increased primarily due to activities related to the Fertilizer Restart Program (see Section 8)

Dutch Tax Assessment

During Q2 2022, the Company received an assessment from the Dutch tax authorities claiming a liability of EUR 1,730 (approximately $1,834) for 2016 income taxes related to its Dutch holding structure for the Company's Brazilian subsidiaries. During Q3 2022, the Company filed an appeal against the tax assessment, which is currently under review of the Dutch tax authorities. The Company and its legal advisors consider it more likely than not that the resolution of the assessment will be favorable to the Company. On that basis, the Company has not recognized a provision for this assessment. In the event of an unfavorable resolution, the Company estimates a potential assessment in the aggregate amount of approximately $4,900 (including in respect of 2016, 2017 and 2018 income taxes) (see Note 23 in the Consolidated Financial Statements).

Development and Exploration

Farim

EHS

For the three months and years ended December 31, 2022 and 2021, Farim's EHS highlights were as follows:

	For the three months ended December 31,		*For the year ended December 31,*	
	2022	**2021**	**2022**	**2021**
Reportable environmental releases	—	—	—	—
Recordable incidents	—	—	—	—

As at December 31, 2022, Farim's TRIFR was 0.0.

Development and exploration

For the three months and year ended December 31, 2022, Farim's development and exploration highlights were as follows:

- advanced an updated technical report for Farim in support of the evaluation of strategic alternatives for the project (see Section 2);
- advanced revisions to the executed Farim mining agreement with the Government of Guinea-Bissau to facilitate project financing and update tax incentives; and
- maintained Farim at construction-ready state.

The Company's activities related to advancing the development and exploration of Farim are described in greater detail in the 2020 MD&A.

Other

For the three months and year ended December 31, 2022, the Company's other development and exploration project highlights were as follows:

- advanced the development and exploration of Araxá in support of the evaluation of strategic alternatives for the project;
- maintained the integrity of the concessions of Santana and Araxá;
- completed the wind down of Paris Hills; and
- advanced the wind down of Mantaro.

Corporate

Refinancing

On September 22, 2022, the Company entered into the Credit Facilities with a syndicate of lenders, pursuant to which the lenders have advanced (i) the Term Loan to the Company and made available the LC Facility and (ii) the ABL Facility. The proceeds of the Term Loan and ABL Facility were used to refinance the Company's indebtedness under the 2021 Term Loan, the Conda ABL, the Promissory Note, the Canadian debentures and to pay related transaction costs and fees. The refinancing provided for the retirement of all related party debt. Proceeds from the ABL Facility will also be used for working capital and general corporate purposes (see Note 13 in the Consolidated Financial Statements).

The key terms of the Term Loan and LC Facility are as follows:

- the Term Loan is secured by the assets of the Company and its US subsidiaries;
- term of three years with maturity on September 22, 2025;
- interest shall accrue on outstanding borrowings at a rate equal to the Term Secured Overnight Financing Rate ("SOFR") plus a margin ranging from 4.25% to 5.25% per annum based upon the total net leverage ratio of the Company and its subsidiaries. The initial borrowings are at a margin rate of 4.25%;
- the LC Facility bears interest at 0.5% per annum for undrawn committed amounts; and
- the Term Loan requires quarterly amortization payments, and the Company may make incremental prepayments of the Term Loan borrowings without penalty or premium.

As at December 31, 2022, the Company posted letters of credit of $32,793 under the LC Facility.

The key terms of the ABL Facility are as follows:

- term of three years with maturity on September 22, 2025;
- secured by the assets of the Company and its US subsidiaries and guaranteed by certain of the Company's US subsidiaries;
- interest shall accrue on outstanding borrowings at a rate equal to the Term SOFR plus a margin ranging from 2.25% to 2.75% per annum, based upon the average excess availability under the ABL Facility. The initial borrowings are at margin rate of 2.75%; and
- a commitment fee shall accrue for undrawn committed amounts, at 0.375% per annum.

For the three months and year ended December 31, 2022, the Company repaid $7,081 of principal under the Term Loan and $15,000 cash drawn under the ABL Facility (see Note 13 in the Consolidated Financial Statements).

New Director Appointments

On April 18, 2022, the Company announced the appointment of Stephen Shapiro and Isaiah Toback to its Board of Directors, effective April 14, 2022. Mr. Toback replaced Rory O'Neill as a nominee to the Company's Board of Directors by its principal shareholder, CLF, pursuant to an investor rights agreement between the Company and CLF.

New CFO Appointment

On August 11, 2022, the Company announced the appointment of Matthew O'Neill as CFO. Mr. O'Neill has over 25 years of experience in financial management, corporate development, planning, treasury, insurance, risk management and financial reporting. Mr. O'Neill succeeded George Burdette who served as CFO since April 2018.

4. OUTLOOK

MARKET OUTLOOK

The Company expects the current strength in global agriculture and phosphate fertilizer fundamentals to continue, although 2023 prices are expected to moderate off the historically high 2022 prices. Accordingly, the Company expects continued durability in prices and volume fundamentals in the phosphate fertilizer markets.

Specific factors the Company expects to support the relative strength in the global phosphate fertilizer markets through 2023 are as follows:

- no significant phosphate supply capacity additions;
- sustained crop prices;
- improved phosphate application following historically high pricing; and
- ongoing phosphate export restrictions from China.

The Company expects the sulfur and sulfuric acid market to remain under pressure globally through 2023 due to increased refinery activity and softer demand from phosphate producers and metals consumers.

FINANCIAL OUTLOOK

The Company provides guidance on both IFRS and non-IFRS measures that management considers to evaluate the Company's operational and financial performance. Management believes that the non-IFRS measures provide useful supplemental information to investors, analysts, lenders and others. Definitions and reconciliations of non-IFRS measures to the most directly comparable IFRS measures are included in Section 8 of this MD&A.

In developing its guidance for 2023, the Company used the following key assumptions:

- Conda production and sales remain at capacity, with planned maintenance during June 2023 (short turnaround) and advancement of the H1/NDR mine life extension.
- Continued production and sales of sulfuric acid at Arraias, with the remainder of operations idled.
- Development and exploration segment activities remain at levels required to maintain the current states of development.
- Corporate segment includes selling, general and administrative expenses, and debt service.

The assumptions considered by the Company in preparing its guidance for 2023 are as follows:

- Used latest market outlook for pricing and key inputs.
- Canadian Dollar to US Dollar exchange rate of C$1.3 to $1.
- Shares vesting in accordance with the Company's RSU Plan.

(in millions of US Dollars except as otherwise noted)	**FY 2023**
Adjusted EBITDA[i]	$140-$180
Net income	$35-$65
Basic earnings (C$/share)	$0.25-$0.45
Maintenance capex[i]	$15-$25
Growth capex[i]	$40-$50
Free cash flow[i]	$70-$100

i. Non-IFRS measure (see Section 8).

BUSINESS OUTLOOK

The Company continues to focus on the following key objectives to drive long-term value and shareholder returns:

- improving financial and operational performance;
- deleveraging the balance sheet;
- extending Conda's current mine life through permitting and development of H1/NDR;
- exploring and evaluating various strategic alternatives in an effort to enhance shareholder value; and
- maintaining capital-lite investment approach.

5. SUMMARY OF QUARTERLY RESULTS

For the three months ended December 31, 2022, September 30, 2022, June 30, 2022, and March 31, 2022, the Company's summary of quarterly results was as follows:

(in thousands of US Dollars except as otherwise noted)		December 31, 2022		September 30, 2022		June 30, 2022		March 31, 2022
Revenues	$	135,243	$	153,187	$	155,005	$	149,853
Net income		29,322		8,088		44,281		33,009
Basic earnings ($/share)		0.16		0.04		0.23		0.18
Diluted earnings ($/share)		0.15		0.04		0.23		0.17
Total assets	$	614,009	$	651,447	$	687,701	$	653,250

For the three months ended December 31, 2021, September 30, 2021, June 30, 2021, and March 31, 2021, the Company's summary of quarterly results was as follows:

(in thousands of US Dollars except as otherwise noted)		December 31, 2021		September 31, 2021		June 30, 2021		March 31, 2021
Revenues	$	116,784	$	103,005	$	103,316	$	90,142
Net income /(loss)		24,280		15,676		9,582		1,901
Basic earnings ($/share)		0.13		0.08		0.05		0.01
Diluted earnings ($/share)		0.13		0.08		0.05		0.01
Total assets	$	633,853	$	530,195	$	505,103	$	482,101

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6. STATEMENTS OF OPERATIONS

For the three months ended December 31, 2022 and 2021, the Company's statements of operations were as follows:

(in thousands of US Dollars except as otherwise noted)	*For the three months ended December 31,* 2022	2021	% change
Revenues	$ 135,243	$ 116,784	16%
Cost of goods sold	87,110	70,871	23%
Gross margin	**$ 48,133**	**45,913**	5%
Selling, general and administrative expenses	6,999	6,481	8%
Operating income	**$ 41,134**	**$ 39,432**	**4%**
Foreign exchange gain (loss)	(375)	234	(260%)
Other income (expense), net	309	183	69%
Finance expense	(5,811)	(8,289)	(30%)
Income (loss) before income taxes	**$ 35,257**	**$ 31,560**	**12%**
Current and deferred income tax expense	5,935	7,280	(18%)
Net income	**$ 29,322**	**24,280**	**21%**
Net income attributable to non-controlling interest	(396)	—	n/m
Net income attributable to shareholders of the Company	**$ 29,718**	**$ 24,280**	**22%**
Basic earnings ($/share)	**$ 0.16**	**$ 0.13**	**19%**
Basic earnings (C$/share)	**$ 0.21**	**$ 0.16**	**29%**
Diluted earnings ($/share)	**$ 0.15**	**$ 0.13**	**19%**
Diluted earnings (C$/share)	**$ 0.21**	**$ 0.16**	**29%**

For the three months ended December 31, 2022 and 2021, the Company's statements of operations were explained as follows:

Item	Q4 2022 vs Q4 2021
Revenues	Increased primarily due to higher realized MAP prices (priced off a three month lag under the MAP offtake agreement) and higher sales volumes at Conda and the restart of the sulfuric acid plant at Arraias, which were partially offset by lower realized SPA prices at Conda
Cost of goods sold	Increased primarily due to higher Conda sales volumes and higher input costs at Conda and the restart of the sulfuric acid plant at Arraias
Selling, general and administrative expenses	Increased primarily due to higher corporate expenses, which were partially offset by lower share-based payment expense
Finance expense	Decreased primarily due to lower interest expense following the refinancing in Q3 2022
Current and deferred income tax expense (recovery)	Decreased primarily due to higher deductibles (mainly interest expense carryforward) following the redomiciliation in 2021

For the years ended December 31, 2022, 2021 and 2020, the Company's statements of operations were as follows:

(in thousands of US Dollars except as otherwise noted)	For the year ended December 31, 2022	2021	% change	2020
Revenues	$ 593,288	$ 413,247	44%	$ 260,185
Cost of goods sold	378,411	276,372	37%	267,957
Write-off of mineral properties	—	—	n/m	8,449
Gross margin	**$ 214,877**	**$ 136,875**	**57%**	**(16,221)**
Selling, general and administrative expenses	29,493	25,896	14%	19,435
Operating income	**$ 185,384**	**$ 110,979**	**67%**	**$ (35,656)**
Foreign exchange loss	(1,639)	(634)	n/m	(5,394)
Other income (expense), net	9,033	541	1570%	(1,759)
Gain (loss) on asset disposal	—	(97)	(100%)	(1,209)
Finance expense	(45,924)	(37,244)	23%	(28,030)
Income (loss) before income taxes	**$ 146,854**	**$ 73,545**	**100%**	**$ (72,048)**
Current and deferred income tax expense (recovery)	32,154	22,106	45%	(9,742)
Net income	**$ 114,700**	**51,439**	**123%**	**(62,306)**
Net income attributable to non-controlling interest	(396)	411	n/m	754
Net income attributable to shareholders of the Company	**$ 115,096**	**$ 51,028**	**126%**	**$ (63,060)**
Basic earnings ($/share)	**$ 0.61**	**$ 0.28**	**118%**	**$ (0.34)**
Basic earnings (C$/share)	**$ 0.79**	**$ 0.35**	**126%**	**$ (0.46)**
Diluted earnings ($/share)	**$ 0.60**	**$ 0.27**	**122%**	**$ (0.34)**
Diluted earnings (C$/share)	**$ 0.78**	**$ 0.34**	**129%**	**$ (0.46)**

For the years ended December 31, 2022 and 2021, the Company's statements of operations were explained as follows:

Item	YTD 2022 vs YTD 2021
Revenues	Increased primarily due to higher realized prices and sales volumes at Conda and the restart of the sulfuric acid plant at Arraias
Cost of goods sold	Increased primarily due to higher sales volumes and input costs at Conda and the restart of the sulfuric acid plant at Arraias
Selling, general and administrative expenses	Increased primarily due to higher share-based payment expense and higher corporate expenses
Other income(expense)	Increased primarily due to a settlement with insurers on a business interruption claim related to the 2020 disruption in sulfuric acid supply to Conda
Finance expense	Increased primarily due to exit fees and loss on debt extinguishment related to the 2021 Term Loan, the Promissory Note and the Conda ABL and higher amortization of deferred financing costs, which were partially offset by lower interest expense following the refinancing in Q3 2022
Current and deferred income tax expense (recovery)	Increased primarily due to higher taxable income, which was partially offset by higher deductibles (mainly interest expense carryforward) following the redomiciliation in 2021

7. FINANCIAL CONDITION

LIQUIDITY

As at December 31, 2022, the Company had cash and cash equivalents of $42,811, liquidity of $64,258 (see Section 8) and working capital of $101,324 (liquidity and working capital are non-IFRS measures; see Section 8 for further details).

The Company closely monitors potential risks to its operations, including factors that could impact production or demand for its products as such factors could have a material impact on the Company's cash flow from operations, which could result in a cash shortfall unless otherwise remedied.

The Company relies primarily on Conda to sustain its operations. In turn, Conda relies on key suppliers and customers. With respect to suppliers, Conda's ammonia requirements and a majority of its sulfuric acid requirements have historically been met by one supplier under respective long-term supply agreements. With respect to customers, a majority of Conda's sales have historically been to one key customer under a long-term MAP offtake agreement. Consequently, any material disruption to the operations of such key suppliers or key customer, or Conda's inability to maintain its business relationship with any such suppliers or customer, has the potential of materially adversely affecting the Company's overall production, sales or results of operations.

As at December 31, 2022, an additional $21,447 remained available under the ABL Facility to be drawn by the Company subject to certain terms and conditions (see Note 13 in the Consolidated Financial Statements).

FINANCIAL COVENANTS

The Term Loan includes financial covenants that require the Company to comply with certain ratios and thresholds. The principal financial covenants in the Term Loan require the Company not to exceed a specified Consolidated Total Net Leverage Ratio and to maintain a minimum specified Consolidated Interest Coverage Ratio as at the end of each fiscal quarter commencing September 30, 2022 (as such terms are defined in the Term Loan). As at December 31, 2022, the Company was in compliance with all financial covenants related to the Term Loan (see Notes 11 and 24 in the Consolidated Financial Statements).

The ABL Facility includes a springing financial covenant that applies if availability under the ABL Facility falls below a specified level. The principal springing financial covenant in the ABL Facility, if applicable, requires the Company to maintain a specified Minimum Fixed Charge Coverage Ratio at the end of each fiscal quarter (as defined in the ABL Facility agreement). As at December 31, 2022, the springing financial covenants related to the ABL Facility were not applicable (see Notes 11 and 24 in the Consolidated Financial Statements).

The Company is currently projecting compliance with its financial covenants. Any significant reductions to global fertilizer pricing trends, or other factors that could reduce cash flow from operations could result in a financial covenant default, unless otherwise remedied.

SUMMARY BALANCE SHEETS

As at December 31, 2022, and 2021, the Company's summary balance sheets were as follows:

(in thousands of US Dollars)	December 31, 2022	December 31, 2021	% change	December 31, 2020
Cash and cash equivalents	$ 42,811	$ 31,565	36%	$ 9,539
Current assets (including cash and cash equivalents)	$ 198,401	$ 195,130	2%	$ 134,491
Non-current assets	415,608	438,723	(5%)	342,813
Total assets	**$ 614,009**	**$ 633,853**	**(3%)**	**$ 477,304**
Current liabilities (excluding current portion of debt)	$ 67,860	$ 68,998	(2%)	$ 54,579
Non-current liabilities (excluding long-term debt)	164,907	190,402	(13%)	100,109
Debt (current and long-term)	128,124	239,848	(47%)	240,193
Total liabilities	**$ 360,891**	**$ 499,248**	**(28%)**	**$ 394,881**
Shareholders' equity	$ 252,349	$ 133,440	89%	$ 81,669
Non-controlling interest	769	1,165	(34%)	754
Total equity	**$ 253,118**	**$ 134,605**	**88%**	**$ 82,423**
Net debt[i]	$ 88,319	$ 217,706	(59%)	$ 233,926
Trailing 12 months adjusted EBITDA[i]	$ 224,758	$ 143,425	57%	$ 15,047
Net leverage ratio[i]	0.4x	1.5x	(73%)	15.5x

i. Non-IFRS measure (see Section 8).

As at December 31, 2022, and 2021, the Company's summary balance sheets were explained as follows:

Item	December 31, 2022 vs December 31, 2021
Current assets	Increased primarily due to higher cash and cash equivalents and inventories, which were partially offset by lower accounts receivable and other current assets
Non-current assets	Decreased primarily due to lower ARO asset (due to adjustment for inflation and discount rate), depreciation and depletion, which were partially offset by capex additions (see Section 8)
Current liabilities (excluding current portion of debt)	Decreased primarily due to lower accounts payable and accrued liabilities
Non-current liabilities (excluding long-term debt)	Decreased primarily due to lower ARO liability (due to adjustment for inflation and discount rate)
Debt (current and long-term)	Decreased primarily due to the repayment of principal debt outstanding and the closing of the Term Loan and ABL Facility, which proceeds were used to refinance the 2021 Term Loan, the Promissory Note, the Conda ABL and the Canadian debentures
Total equity	Increased primarily due to net income recorded during the period
Net debt	Decreased primarily due to the same factors that resulted in lower debt and higher cash and cash equivalents (see Section 8)
Trailing 12 months adjusted EBITDA	Increased primarily due to the same factors that resulted in higher adjusted EBITDA (see Section 8)

As at December 31, 2022 and 2021, the Company did not have any significant off-balance sheet arrangements.

Conda's operating and environmental permits require certain obligations related to environmental and reclamation activities to be guaranteed. As at December 31, 2022 and 2021, Conda's guarantee requirements were $77,739.

CAPITAL RESOURCES

As at December 31, 2022, and 2021, the Company's capital resources were as follows:

(in thousands of US Dollars)		December 31, 2022		December 31, 2021
Total equity	$	253,118	$	134,605
Net debt[i]		88,319		217,706
Capital resources	**$**	**341,437**	**$**	**352,311**

i. Non-IFRS measure (see Section 8).

In order to maintain or adjust its capital structure, the Company may, upon approval from its Board of Directors, issue shares, or undertake other activities as deemed appropriate under the specific circumstances.

DIVIDENDS

Over the three most recently completed financial years (2020-2022), the Company has not paid any dividends or made any other distributions on its securities. The Company's ability to pay dividends or make other distributions on its securities is currently limited under the Company's debt agreements. Any future dividends or other distributions on its securities would be made at the discretion of the Company's Board of Directors, subject to the limitations under the aforementioned debt agreements.

SUMMARY CASH FLOWS

For three months and years ended December 31, 2022 and 2021, the Company's summary cash flows were as follows:

(in thousands of US Dollars)	*For the three months ended December 31,* 2022	2021	% change	*For the year ended December 31,* 2022	2021	% change
Cash and cash equivalents, beginning of period	**$ 36,177**	**$ 24,120**	**50%**	**$ 31,565**	**$ 9,539**	**231%**
Cash flows from operating activities	42,245	32,333	31%	208,369	94,499	120%
Cash flows used by investing activities	(10,162)	(6,355)	60%	(39,003)	(34,076)	14%
Cash flows used by financing activities	(25,807)	(18,575)	39%	(158,324)	(38,433)	312%
Effect of foreign exchange of non-US Dollar denominated cash	358	42	753%	204	36	466%
Cash and cash equivalents, end of period	**$ 42,811**	**$ 31,565**	**36%**	**$ 42,811**	**$ 31,565**	**36%**
Free cash flow[i]	$ 38,615	$ 28,848	34%	$ 187,854	$ 71,290	164%

i. Non-IFRS measure (see Section 8).

For three months ended December 31, 2022 and 2021, the Company's summary cash flows were explained as follows:

Item	Q4 2022 vs Q4 2021
Cash flows from operating activities	Increased primarily due to the same factors that resulted in higher EBITDA, which were partially offset by higher working capital requirements
Cash flows used by investing activities	Increased primarily due to the timing of projects at Conda
Cash flows used by financing activities	Increased primarily due to the repayment of principal debt
Free cash flow	Increased primarily due to higher cash flows from operating activities due to the same factors that resulted in higher EBITDA, which were partially offset by higher working capital requirements (see Section 8)

For the year ended December 31, 2022, the Company's summary cash flows were explained as follows:

Item	YTD 2022 vs YTD 2021
Cash flows from operating activities	Increased primarily due to the same factors that resulted in higher EBITDA and higher other income due to a settlement with insurers on a business interruption claim related to the 2020 disruption in sulfuric acid supply to Conda, which were partially offset by higher working capital requirements
Cash flows used by investing activities	Increased primarily due to activities related to the advancement of H1/NDR at Conda
Cash flows used by financing activities	Increased primarily due to the repayment of principal debt outstanding and the closing of the Term Loan and ABL Facility, which proceeds were used to refinance the 2021 Term Loan, the Promissory Note, the Conda ABL and the Canadian debentures
Free cash flow	Increased primarily due to higher cash flows from operating activities due to the same factors that resulted in higher EBITDA and higher other income due to a settlement with insurers on a business interruption claim related to the 2020 disruption in sulfuric acid supply to Conda, which were partially offset by higher working capital requirements (see Section 8)

CONTRACTUAL OBLIGATIONS

As at December 31, 2022, the Company's contractual obligations were as follows:

(in thousands of US Dollars)	Within 1 year	Years 2 and 3	Years 4 and 5	After 5 years	Total
Debt	$ 29,217	$ 100,814	$ 1,100	—	**$ 131,131**
Accounts payable and accrued liabilities	60,838	—	—	—	**$ 60,838**
Provisions	3,063	26,870	25,320	91,791	**$ 147,044**
Leases	2,972	7,665	4,325	3,934	**$ 18,896**
Contractual obligations	**$ 96,090**	**$ 135,349**	**$ 30,745**	**$ 95,725**	**$ 357,909**

The Company's contractual obligations do not include estimated interest payments related to such contractual obligations. The Company records provisions when it is probable that obligations have been incurred and the amounts can be reasonably estimated. The Company's provisions include environmental and asset retirement obligations ("ARO") liabilities and legal contingencies (see Note 12 in the Consolidated Financial Statements).

As at December 31, 2022, the Company had environmental and ARO liabilities, assets and net liabilities by segment as follows:

(in thousands of US Dollars)	**Liabilities**	**Assets**	**Net Liabilities**
Conda	140,121	59,294	**80,827**
Arraias	5,673	5,665	**8**
Development and exploration	509	—	**509**
Corporate	—	—	—
Environmental and ARO	**146,303**	**64,959**	**81,344**

8. NON-IFRS MEASURES

DEFINITIONS

The Company defines its non-IFRS measures as follows:

Non-IFRS measure	Definition	Most directly comparable IFRS measure
EBITDA	Earnings before interest, taxes, depreciation, depletion and amortization	Net income (loss) and operating income (loss)
Adjusted EBITDA	EBITDA adjusted for non-cash, extraordinary, non-recurring and other items unrelated to the Company's core operating activities	Net income (loss) and operating income (loss)
Trailing 12 months adjusted EBITDA	Adjusted EBITDA for the current and preceding three quarters	Net income (loss) and operating income (loss) for the current and preceding three quarters
Total capex	Additions to property, plant, and equipment and mineral properties adjusted for additions to asset retirement obligations, additions to right-of-use assets and capitalized interest	Additions to property, plant and equipment and mineral properties
Maintenance capex	Portion of total capex relating to the maintenance of ongoing operations	Additions to property, plant and equipment and mineral properties
Growth capex	Portion of total capex relating to the development of growth opportunities	Additions to property, plant and equipment and mineral properties
Total cash capex	Total capex less accrued capex	Additions to property, plant and equipment and mineral properties
Cash maintenance capex	Maintenance capex less accrued maintenance capex	Additions to property, plant and equipment and mineral properties
Cash growth capex	Growth capex less accrued growth capex	Additions to property, plant and equipment and mineral properties
Net debt	Debt less cash and cash equivalents plus deferred financing costs (does not consider lease liabilities)	Current debt, long-term debt and cash and cash equivalents
Net leverage ratio	Net debt divided by trailing 12 months adjusted EBITDA	Current debt, long-term debt and cash and cash equivalents; net income (loss) and operating income (loss) for the current and preceding three quarters
Working capital	Current assets less current liabilities	Current assets and current liabilities
Liquidity	Cash and cash equivalents plus undrawn committed borrowing capacity	Cash and cash equivalents
Free cash flow	Cash flows from operating activities, which excludes payment of interest expense, plus cash flows from investing activities less cash growth capex	Cash flows from operating activities and cash flows from investing activities
Realized price	Revenues divided by sales volumes	Revenues
Revenues per tonne P_2O_5	Revenues divided by sales volumes presented on P_2O_5 basis	Revenues
Cash costs	Cost of goods sold less net realizable value adjustments, depreciation, depletion and amortization	Cost of goods sold
Cash costs per tonne P_2O_5	Cash costs divided by sales volumes presented on P_2O_5 basis	Cost of goods sold
Cash margin	Revenues less cash costs	Gross margin
Cash margin per tonne P_2O_5	Revenues per tonne P_2O_5 less cash costs per tonne P_2O_5	Gross margin

EBITDA, ADJUSTED EBITDA AND TRAILING 12 MONTHS ADJUSTED EBITDA

EBITDA is a non-IFRS measure that excludes interest, taxes, depreciation, depletion and amortization from earnings. Management believes that EBITDA is a valuable indicator of the Company's ability to generate operating income.

Adjusted EBITDA is a non-IFRS measure that excludes non-cash, extraordinary, non-recurring and other items unrelated to the Company's core operating activities from EBITDA (non-IFRS measure). Management believes that adjusted EBITDA is a valuable indicator of the Company's ability to generate operating income from its core operating activities normalized to remove the impact of non-cash, extraordinary and non-recurring items. The Company provides guidance on adjusted EBITDA as useful supplemental information to investors, analysts, lenders and others.

Trailing 12 months adjusted EBITDA is a non-IFRS measure that includes adjusted EBITDA (non-IFRS measure) for the current and preceding three quarters.

For the three months ended December 31, 2022 and 2021

For the three months ended December 31, 2022, the Company had EBITDA and adjusted EBITDA by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 35,321**	**$ (116)**	**$ 59**	**$ (5,942)**	**$ 29,322**
Finance (income) expense, net	1,164	(122)	(2)	4,771	5,811
Current and deferred income tax expense (recovery)	9,595	—	—	(3,660)	5,935
Depreciation and depletion	8,354	585	3	47	8,989
EBITDA	**$ 54,434**	**$ 347**	**$ 60**	**$ (4,784)**	**$ 50,057**
Unrealized foreign exchange (gain) loss	400	(124)	(568)	578	286
Share-based payment recovery	—	—	—	(133)	(133)
Transaction costs	—	—	15	214	229
Other income, net	(11)	(223)	(74)	(1)	(309)
Adjusted EBITDA	**$ 54,823**	**$ —**	**$ (567)**	**$ (4,126)**	**$ 50,130**

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating income (loss)	**$ 46,558**	**$ (585)**	**$ (585)**	**$ (4,254)**	**$ 41,134**
Depreciation and depletion	8,354	585	3	47	8,989
Realized foreign exchange gain	(89)	—	—	—	(89)
Share-based payment recovery	—	—	—	(133)	(133)
Transaction costs	—	—	15	214	229
Adjusted EBITDA	**$ 54,823**	**$ —**	**$ (567)**	**$ (4,126)**	**$ 50,130**

For the three months ended December 31, 2021, the Company had EBITDA and adjusted EBITDA by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 34,914**	**$ (1,204)**	**$ (507)**	**$ (8,923)**	**$ 24,280**
Finance expense, net	848	64	2	7,375	8,289
Current and deferred income tax expense (recovery)	10,160	—	—	(2,880)	7,280
Depreciation and depletion	6,943	64	4	46	7,057
EBITDA	**$ 52,865**	**$ (1,076)**	**$ (501)**	**$ (4,382)**	**46,906**
Unrealized foreign exchange (gain) loss	(15)	98	58	(145)	(4)
Share-based payment expense	—	—	—	904	904
Transaction costs	—	—	—	316	316
Other income	(1)	(138)	(44)	—	(183)
Adjusted EBITDA	**$ 52,849**	**$ (1,116)**	**$ (487)**	**$ (3,307)**	**$ 47,939**

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating income (loss)	**$ 45,755**	**$ (1,180)**	**$ (556)**	**$ (4,587)**	**$ 39,432**
Depreciation and depletion	6,943	64	4	46	7,057
Realized foreign exchange gain	151	—	65	14	230
Share-based payment expense	—	—	—	904	904
Transaction costs	—	—	—	316	316
Adjusted EBITDA	**$ 52,849**	**$ (1,116)**	**$ (487)**	**$ (3,307)**	**$ 47,939**

For the years ended December 31, 2022 and 2021

For the year ended December 31, 2022, the Company had EBITDA and adjusted EBITDA by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 162,107**	**$ (2,304)**	**$ (397)**	**$ (44,706)**	**$ 114,700**
Finance (income) expense, net	5,020	(131)	4	41,031	45,924
Current and deferred income tax expense (recovery)	50,895	—	—	(18,741)	32,154
Depreciation and depletion	31,453	2,048	14	190	33,705
EBITDA	**$ 249,475**	**$ (387)**	**$ (379)**	**$ (22,226)**	**$ 226,483**
Unrealized foreign exchange (gain) loss	400	872	(900)	1,068	1,440
Share-based payment expense	—	—	—	4,850	4,850
Transaction costs	—	—	140	719	859
Gain on settlement	(1,352)	—	—	—	(1,352)
Non-recurring compensation expenses	—	—	—	1,511	1,511
Other income, net	(8,354)	(551)	(94)	(34)	(9,033)
Adjusted EBITDA	**$ 240,169**	**$ (66)**	**$ (1,233)**	**$ (14,112)**	**$ 224,758**

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating income (loss)	**$ 210,246**	**$ (2,114)**	**$ (1,387)**	**$ (21,361)**	**$ 185,384**
Depreciation and depletion	31,453	2,048	14	190	33,705
Realized foreign exchange loss	(178)	—	—	(21)	(199)
Share-based payment expense	—	—	—	4,850	4,850
Transaction costs	—	—	140	719	859
Gain on settlement	(1,352)	—	—	—	(1,352)
Non-recurring compensation expenses	—	—	—	1,511	1,511
Adjusted EBITDA	**$ 240,169**	**$ (66)**	**$ (1,233)**	**$ (14,112)**	**$ 224,758**

For the year ended December 31, 2021, the Company had EBITDA and adjusted EBITDA by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Net income (loss)	**$ 102,794**	**$ (3,459)**	**$ (2,044)**	**$ (45,852)**	**$ 51,439**
Finance expense, net	3,073	123	7	34,041	37,244
Current and deferred income tax expense (recovery)	28,913	—	—	(6,807)	22,106
Depreciation and depletion	25,213	405	49	177	25,844
EBITDA	**$ 159,993**	**$ (2,931)**	**$ (1,988)**	**$ (18,441)**	**136,633**
Unrealized foreign exchange (gain) loss	621	(599)	543	459	1,024
Share-based payment expense	—	—	—	4,127	4,127
Transaction costs	—	—	—	2,029	2,029
Non-recurring compensation expenses	—	—	35	21	56
Other income	(32)	(284)	(128)	—	(444)
Adjusted EBITDA	**$ 160,582**	**$ (3,814)**	**$ (1,538)**	**$ (11,805)**	**$ 143,425**

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Operating income (loss)	**$ 135,148**	**$ (4,219)**	**$ (1,777)**	**$ (18,173)**	**$ 110,979**
Depreciation and depletion	25,213	405	49	177	25,844
Realized foreign exchange gain	221	—	155	14	390
Share-based payment expense	—	—	—	4,127	4,127
Transaction costs	—	—	—	2,029	2,029
Non-recurring compensation expenses	—	—	35	21	56
Adjusted EBITDA	**$ 160,582**	**$ (3,814)**	**$ (1,538)**	**$ (11,805)**	**$ 143,425**

As at December 31, 2022 and 2021

As at December 31, 2022, the Company had trailing 12 months adjusted EBITDA as follows:

(in thousands of US Dollars)	Total
For the three months ended December 31, 2022	$ 50,130
For the three months ended September 30, 2022	50,656
For the three months ended June 30, 2022	63,591
For the three months ended March 31, 2022	60,381
Trailing 12 months adjusted EBITDA	**$ 224,758**

As at December 31, 2021, the Company had trailing 12 months adjusted EBITDA as follows:

(in thousands of US Dollars)	Total
For the three months ended December 31, 2021	$ 47,939
For the three months ended September 30, 2021	41,174
For the three months ended June 30, 2021	33,696
For the three months ended March 31, 2021	20,616
Trailing 12 months adjusted EBITDA	**$ 143,425**

ITAFOS

TOTAL CAPEX

Total capex is a non-IFRS measure that includes additions to property, plant, and equipment and mineral properties, which are adjusted for additions to asset retirement obligations, additions to right-of-use assets and capitalized interest.

Maintenance capex is a non-IFRS measure that includes the portion of total capex (non-IFRS measure) relating to the maintenance of ongoing operations. Management believes that maintenance capex is a valuable indicator of the Company's required capital expenditures to sustain operations at existing levels.

Growth capex is a non-IFRS measure that includes the portion of total capex (non-IFRS measure) relating to the development of growth opportunities. Management believes that growth capex is a valuable indicator of the Company's capital expenditures related to growth opportunities.

The Company provides guidance on both maintenance capex and growth capex as useful supplemental information to investors, analysts, lenders and others.

For the three months ended December 31, 2022 and 2021

For the three months ended December 31, 2022, the Company had capex by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Additions (Reductions) to property, plant and equipment	$ (21,435)	$ (1,935)	$ 22	$ —	$ (23,348)
Additions to mineral properties	2,297	—	210	—	2,507
Additions to property, plant and equipment related to asset retirement obligations	32,660	2,202	—	—	34,862
Additions to right-of-use assets	(4,010)	(83)	(23)	—	(4,116)
Total capex	**$ 9,512**	**$ 184**	**$ 209**	**$ —**	**$ 9,905**
Maintenance capex	3,689	70	—	—	3,759
Growth capex	5,823	114	209	—	6,146

For the three months ended December 31, 2021, the Company had capex by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Additions to property, plant and equipment	$ 95,156	$ 1,531	$ 38	$ 51	$ 96,776
Additions to mineral properties	(82)	—	10	—	(72)
Additions to property, plant and equipment related to asset retirement obligations	(90,037)	(326)	—	—	(90,363)
Additions to right-of-use assets	—	3	—	—	3
Total capex	**$ 5,037**	**$ 1,208**	**$ 48**	**$ 51**	**$ 6,344**
Maintenance capex	1,924	1,238	—	31	3,193
Growth capex	3,113	(30)	48	20	3,151

ITAFOS

For the years ended December 31, 2022 and 2021

For the year ended December 31, 2022, the Company had capex by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Additions to property, plant and equipment	$ 2,524	$ 484	$ 22	$ 19	$ 3,049
Additions to mineral properties	7,163	—	1,485	—	8,648
Additions to asset retirement obligations	30,349	2,020	—	—	32,369
Additions to right-of-use assets	(4,010)	(117)	(23)	—	(4,150)
Total capex	**$ 36,026**	**$ 2,387**	**$ 1,484**	**$ 19**	**$ 39,916**
Maintenance capex	19,386	1,497	—	19	20,902
Growth capex	16,640	890	1,484	—	19,014

For the year ended December 31, 2021, the Company had capex by segment as follows:

(in thousands of US Dollars)	Conda	Arraias	Development and exploration	Corporate	Total
Additions to property, plant and equipment	$ 122,317	$ 1,532	$ 54	$ 464	$ 124,367
Additions to mineral properties	3,031	—	604	—	3,635
Additions to asset retirement obligations	(93,038)	202	—	—	(92,836)
Additions to right-of-use assets	—	16	(13)	(367)	(364)
Total capex	**$ 32,310**	**$ 1,750**	**$ 645**	**$ 97**	**$ 34,802**
Maintenance capex	21,986	1,238	—	77	23,301
Growth capex	10,324	512	645	20	11,501

TOTAL CASH CAPEX

Total cash capex is a non-IFRS measure that excludes accrued capex from total capex (non-IFRS measure). Cash maintenance capex and cash growth capex are non-IFRS measures that exclude accrued capex from maintenance capex (non-IFRS measure) and growth capex (non-IFRS measure), respectively. The Company uses cash growth capex in the calculation of free cash flow (non-IFRS measure).

For the three months ended December 31, 2022 and 2021

For the three months ended December 31, 2022, the Company had cash capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Total capex	$	9,512	$	184	$	209	$	—	$	9,905
Accrued capex		322		—		—		—		322
Total cash capex	**$**	**9,834**	**$**	**184**	**$**	**209**	**$**	**—**	**$**	**10,227**

For the three months ended December 31, 2022, the Company had cash maintenance capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Maintenance capex	$	3,689	$	70	$	—	$	—	$	3,759
Accrued maintenance capex		(64)		—		—		—		(64)
Cash maintenance capex	**$**	**3,625**	**$**	**70**	**$**	**—**	**$**	**—**	**$**	**3,695**

For the three months ended December 31, 2022, the Company had cash growth capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Growth capex	$	5,823	$	114	$	209	$	—	$	6,146
Accrued growth capex		386		—		—		—		386
Cash growth capex	**$**	**6,209**	**$**	**114**	**$**	**209**	**$**	**—**	**$**	**6,532**

For the three months ended December 31, 2021, the Company had cash capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Total capex	$	5,037	$	1,208	$	48	$	51	$	6,344
Accrued capex		11		—		—		—		11
Total cash capex	**$**	**5,048**	**$**	**1,208**	**$**	**48**	**$**	**51**	**$**	**6,355**

For the three months ended December 31, 2021, the Company had cash maintenance capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Maintenance capex	$	1,924	$	1,238	$	—	$	31	$	3,193
Accrued maintenance capex		292		—		—		—		292
Cash maintenance capex	**$**	**2,216**	**$**	**1,238**	**$**	**—**	**$**	**31**	**$**	**3,485**

ITAFOS

For the three months ended December 31, 2021, the Company had cash growth capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Growth capex	$	3,113	$	(30)	$	48	$	20	$	3,151
Accrued growth capex		(281)		—		—		—		(281)
Cash growth capex	**$**	**2,832**	**$**	**(30)**	**$**	**48**	**$**	**20**	**$**	**2,870**

For the years ended December 31, 2022 and 2021

For the year ended December 31, 2022, the Company had cash capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Total capex	$	36,026	$	2,387	$	1,484	$	19	$	39,916
Accrued capex		(847)		—		—		—		(847)
Total cash capex	**$**	**35,179**	**$**	**2,387**	**$**	**1,484**	**$**	**19**	**$**	**39,069**

For the year ended December 31, 2022, the Company had cash maintenance capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Maintenance capex	$	19,386	$	1,497	$	—	$	19	$	20,902
Accrued maintenance capex		(321)		—		—		—		(321)
Cash maintenance capex	**$**	**19,065**	**$**	**1,497**	**$**	**—**	**$**	**19**	**$**	**20,581**

For the year ended December 31, 2022, the Company had cash growth capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Growth capex	$	16,640	$	890	$	1,484	$	—	$	19,014
Accrued growth capex		(526)		—		—		—		(526)
Cash growth capex	**$**	**16,114**	**$**	**890**	**$**	**1,484**	**$**	**—**	**$**	**18,488**

For the year ended December 31, 2021, the Company had cash capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Total capex	$	32,310	$	1,750	$	645	$	97	$	34,802
Accrued capex		(726)		—		—		—		(726)
Total cash capex	**$**	**31,584**	**$**	**1,750**	**$**	**645**	**$**	**97**	**$**	**34,076**

For the year ended December 31, 2021, the Company had cash maintenance capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Maintenance capex	$	21,986	$	1,238	$	—	$	77	$	23,301
Accrued maintenance capex		(92)		—		—		—		(92)
Cash maintenance capex	**$**	**21,894**	**$**	**1,238**	**$**	**—**	**$**	**77**	**$**	**23,209**

For the year ended December 31, 2021, the Company had cash growth capex by segment as follows:

(in thousands of US Dollars)		Conda		Arraias		Development and exploration		Corporate		Total
Growth capex	$	10,324	$	512	$	645	$	20	$	11,501
Accrued growth capex		(634)		—		—		—		(634)
Cash growth capex	**$**	**9,690**	**$**	**512**	**$**	**645**	**$**	**20**	**$**	**10,867**

NET DEBT AND NET LEVERAGE RATIO

Net debt is a non-IFRS measure that includes debt less cash and cash equivalents and excludes deferred financing costs from debt. The Company's net debt does not include lease liabilities. Management believes that net debt is a valuable indicator of the Company's net debt position as it removes the impact of deferring financing costs.

Net leverage ratio is a non-IFRS measure that considers net debt (non-IFRS measure) divided by trailing 12 months adjusted EBITDA (non-IFRS measure). Management believes that the Company's net leverage ratio is a valuable indicator of its ability to service its debt from its core operating activities.

As at December 31, 2022 and 2021, the Company had net debt as follows:

(in thousands of US Dollars)		December 31, 2022		December 31, 2021
Current debt	$	29,217	$	52,838
Long-term debt		98,907		187,010
Cash and cash equivalents		(42,811)		(31,565)
Deferred financing costs related to the Credit Facilities		3,006		—
Deferred financing costs related to the 2021 Term Loan		—		9,423
Net debt	**$**	**88,319**	**$**	**217,706**

As at December 31, 2022 and 2021, the Company's net leverage ratio was as follows:

(in thousands of US Dollars except as otherwise noted)		December 31, 2022		December 31, 2021
Net debt	$	88,319	$	217,706
Trailing 12 months adjusted EBITDA		224,758		143,425
Net leverage ratio		**0.4x**		**1.5x**

WORKING CAPITAL AND LIQUIDITY

Working capital is a non-IFRS measure that includes current assets less current liabilities.

Liquidity is a non-IFRS measure that includes cash and cash equivalents plus undrawn committed borrowing capacity.

Management believes that working capital and liquidity are valuable indicators of the Company's liquidity.

Working Capital

As at December 31, 2022 and 2021, the Company had working capital as follows:

(in thousands of US Dollars)	December 31, 2022	December 31, 2021
Cash and cash equivalents	$ 42,811	$ 31,565
Accounts receivable	22,892	39,688
Inventories, net	122,335	112,704
Other current assets	10,363	11,173
Accounts payable and accrued liabilities	(60,838)	(61,469)
Provisions	(3,063)	(4,072)
Current debt	(29,217)	(52,838)
Contract liabilities	(987)	(913)
Other current liabilities	(2,972)	(2,544)
Working capital	**$ 101,324**	**$ 73,294**

Liquidity

As at December 31, 2022 and 2021, the Company had liquidity as follows:

(in thousands of US Dollars)	December 31, 2022	December 31, 2021
Cash and cash equivalents	$ 42,811	$ 31,565
ABL Facility undrawn borrowing capacity	21,447	—
Conda ABL undrawn borrowing capacity	—	5,870
Liquidity	**$ 64,258**	**$ 37,435**

FREE CASH FLOW

Free cash flow is a non-IFRS measure that includes cash flows from operating activities (which excludes payment of interest expense) and cash flows from investing activities less cash growth capex (non-IFRS measure). Management believes that free cash flow is a valuable indicator of the Company's ability to generate cash flows from operations after giving effect to required capital expenditures to sustain operations at existing levels. Management further believes that free cash flow is a valuable indicator of the Company's cash flow available for debt service or to fund growth opportunities. The Company provides guidance on free cash flow as useful supplemental information to investors, analysts, lenders and others.

For three months and years ended December 31, 2022 and 2021, the Company had free cash flow as follows:

	For the three months ended December 31,		*For the year ended December 31,*	
(in thousands of US Dollars)	2022	2021	2022	2021
Cash flows from operating activities	$ 42,245	$ 32,333	$ 208,369	$ 94,499
Cash flows used by investing activities	(10,162)	(6,355)	(39,003)	(34,076)
Less: Cash growth capex	6,532	2,870	18,488	10,867
Free cash flow	**$ 38,615**	**$ 28,848**	**$ 187,854**	**$ 71,290**

REVENUES PER TONNE P_2O_5

Revenues per tonne P_2O_5 is a non-IFRS measure that considers revenues divided by sales volumes presented on P_2O_5 basis. The Company uses revenues per tonne P_2O_5 in the calculation of cash margin per tonne P_2O_5 (non-IFRS measure).

For the three months ended December 31, 2022 and 2021

For the three months ended December 31, 2022, the Company had revenues per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Revenues	$	129,330	$	—
Sales volumes (tonnes P_2O_5)[i]		79,858		—
Revenues per tonne P_2O_5	**$**	**1,620**	**$**	**—**

i. Revenues for Arraias does not include sulfuric acid revenues.
ii. P_2O_5 basis for Conda's products considers MAP at 52%, MAP+ at 39%, SPA at 100%, MGA at 100%, APP at 34% and HFSA at 0%. P_2O_5 basis for Arraias' products considers SSP and SSP+ at 17% P_2O_5 and sulfuric acid at 0%.

For the three months ended December 31, 2021, the Company had revenues per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Revenues	$	116,784	$	—
Sales volumes (tonnes P_2O_5)[i]		74,797		—
Revenues per tonne P_2O_5	**$**	**1,561**	**$**	**—**

i. Revenues for Arraias does not include sulfuric acid revenues.
ii. P_2O_5 basis for Conda's products considers MAP at 52%, MAP+ at 39%, SPA at 100%, MGA at 100%, APP at 34% and HFSA at 0%. P_2O_5 basis for Arraias' products considers SSP and SSP+ at 17% P_2O_5 and sulfuric acid at 0%.

For the years ended December 31, 2022 and 2021

For the year ended December 31, 2022, the Company had revenues per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Revenues	$	571,074	$	—
Sales volumes (tonnes P_2O_5)[i]		335,722		—
Revenues per tonne P_2O_5	**$**	**1,701**	**$**	**—**

i. Revenues for Arraias does not include sulfuric acid revenues.
ii. P_2O_5 basis for Conda's products considers MAP at 52%, MAP+ at 39%, SPA at 100%, MGA at 100%, APP at 34% and HFSA at 0%. P_2O_5 basis for Arraias' products considers SSP and SSP+ at 17% P_2O_5 and sulfuric acid at 0%.

For the year ended December 31, 2021, the Company had revenues per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Revenues	$	413,247	$	—
Sales volumes (tonnes P_2O_5)[i]		313,717		—
Revenues per tonne P_2O_5	**$**	**1,317**	**$**	**—**

i. Revenues for Arraias does not include sulfuric acid revenues.
ii. P_2O_5 basis for Conda's products considers MAP at 52%, MAP+ at 39%, SPA at 100%, MGA at 100%, APP at 34% and HFSA at 0%. P_2O_5 basis for Arraias' products considers SSP and SSP+ at 17% P_2O_5 and sulfuric acid at 0%.

CASH COSTS AND CASH COSTS PER TONNE P_2O_5

Cash costs is a non-IFRS measure that excludes depreciation and depletion and net realizable value adjustments from cost of goods sold.

Cash costs per tonne P_2O_5 is a non-IFRS measure that considers cash costs (non-IFRS measure) divided by sales volumes presented on P_2O_5 basis. The Company uses cash costs per tonne P_2O_5 in the calculation of cash margin per tonne P_2O_5 (non-IFRS measure).

For the three months ended December 31, 2022 and 2021

For the three months ended December 31, 2022, the Company had cash costs and cash costs per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Cost of goods sold	$	81,313	$	**5,797**
Depreciation and depletion		(8,354)		(585)
Cash costs	**$**	**72,959**	**$**	**5,212**
Sales volumes (tonnes P_2O_5)		79,858		—
Cash costs per tonne P_2O_5	**$**	**914**	**$**	**—**

For the three months ended December 31, 2021, the Company had cash costs and cash costs per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Cost of goods sold	$	70,102	$	-
Depreciation and depletion		(6,943)		—
Cash costs	**$**	**63,159**	**$**	**—**
Sales volumes (tonnes P_2O_5)		74,797		—
Cash costs per tonne P_2O_5	**$**	**844**	**$**	**—**

For the years ended December 31, 2022 and 2021

For the year ended December 31, 2022, the Company had cash costs and cash costs per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Cost of goods sold	$	356,462	$	**21,949**
Depreciation and depletion		(31,453)		(2,048)
Cash costs	**$**	**325,009**	**$**	**19,901**
Total sales volumes (tonnes P_2O_5)		335,722		—
Cash costs per tonne P_2O_5	**$**	**968**	**$**	**—**

For the year ended December 31, 2021, the Company had cash costs and cash costs per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Cost of goods sold	$	273,725	$	-
Depreciation and depletion		(25,213)		—
Cash costs	**$**	**248,512**	**$**	**—**
Total sales volumes (tonnes P_2O_5)		313,717		—
Cash costs per tonne P_2O_5	**$**	**792**	**$**	**—**

CASH MARGIN AND CASH MARGIN PER TONNE P_2O_5

Cash margin is a non-IFRS measure that includes revenues less cash cost (non-IFRS measure).

Cash margin per tonne P_2O_5 is a non-IFRS measure that considers cash margin (non-IFRS measure) divided by sales volumes presented on P_2O_5 basis. Management believes that cash margin per tonne P_2O_5 is a valuable indicator of the Company's ability to generate margin on sales across its various phosphate and specialty fertilizer products normalized on a per tonne P_2O_5 basis.

For the three months ended December 31, 2022 and 2021

For the three months ended December 31, 2022, the Company had cash margin and cash margin per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Revenues	$	129,330	$	—
Cash costs		72,959		5,212
Cash margin	**$**	**56,371**	**$**	**(5,212)**
Sales volumes (tonnes P_2O_5)		79,858		—
Cash margin per tonne P_2O_5	**$**	**706**	**$**	**—**

For the three months ended December 31, 2021, the Company had cash margin and cash margin per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Revenues	$	116,784	$	—
Cash costs		63,159		-
Cash margin	**$**	**53,625**	**$**	**—**
Sales volumes (tonnes P_2O_5)		74,797		—
Cash margin per tonne P_2O_5	**$**	**717**	**$**	**—**

For the years ended December 31, 2022 and 2021

For the year ended December 31, 2022, the Company had cash margin and cash margin per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Revenues	$	571,074	$	—
Cash costs		325,009		19,901
Cash margin	**$**	**246,065**	**$**	**(19,901)**
Total sales volumes (tonnes P_2O_5)		335,722		—
Cash margin per tonne P_2O_5	**$**	**733**	**$**	**—**

For the year ended December 31, 2021, the Company had cash margin and cash margin per tonne P_2O_5 by segment as follows:

(in thousands of US Dollars except as otherwise noted)		Conda		Arraias
Revenues	$	413,247	$	—
Cash costs		248,512		-
Cash margin	**$**	**164,735**	**$**	**—**
Total sales volumes (tonnes P_2O_5)		313,717		—
Cash margin per tonne P_2O_5	**$**	**525**	**$**	**—**

9. BUSINESS RISKS AND UNCERTAINTIES

FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Except for statements of historical fact relating to the Company, information contained herein may constitute forward-looking information. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "estimates", "intends", "believes", "forecasts", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved."

Forward-looking information contained herein may include, without limitation, statements with respect to the Company's:

- mission, strategy and outlook;
- ability to carry out and complete any plan;
- ability to achieve future operational and financial results;
- ability to own and operate its operating projects;
- ability to develop and complete its development projects;
- ability to obtain necessary permits and licenses;
- ability to secure financing;
- expectations around commodity markets;
- expectations around Mineral Reserves and Mineral Resources, including those stipulated in technical reports;
- expectations around current estimates and potential increases of mine life; and
- expectations around environmental and ARO obligations.

Management believes that forward-looking information provides useful supplemental information to investors, analysts, lenders and others. In evaluating forward-looking information, investors, lenders and others should consider that forward looking information may not be appropriate for other purposes and are cautioned not to put undue reliance on forward-looking information. Forward-looking information contained in this MD&A is based on the opinions, assumptions and estimates of management set out herein, which management believes are reasonable as at the date the statements are made. Such opinions, assumptions and estimates are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in forward-looking information.

These factors include risks and uncertainties relating to:

- commodity price risks;
- operating risks;
- safety risks;
- mineral reserves and mineral resources risks;
- mine development and completion risks;
- foreign operations risks;
- market risks;
- regulatory risks;
- environmental risks;
- asset retirement obligations risks;
- weather risks;
- climate change risks;
- currency risks;
- inflation risks
- competition risks;
- counterparty risks;
- financing risks;
- additional capital risks;
- credit risks;
- key personnel risks;
- impairment risks;
- cybersecurity risks;
- transportation risks;
- infrastructure risks;
- equipment and supplies risks;
- concentration risks;
- litigation risks;
- permitting and licensing risks;
- land title and access rights risks;
- insurance and uninsured risks;
- acquisitions and integration risks;
- malicious acts risks;
- stock price volatility risks;
- limited history of earnings risks;
- technological advancement risks;
- tax risks;
- foreign subsidiaries risks;
- reputation damage risks;
- controlling shareholder risks;
- conflicts of interest risks;
- epidemics, pandemics and public health risks;
- geopolitical risks;
- environmental justice risks; and
- internal controls risks.

Additionally, all of the forward-looking statements are qualified by the assumptions that are stated or inherent in such forward-looking statements, including the assumptions referred to below and elsewhere in this document. Although we believe that these assumptions are reasonable, having regard to our experience and our perception of historical trends, the assumptions set forth below are not exhaustive of the factors that may affect any of the forward-looking statements and the reader should not place undue reliance on these assumptions and such forward-looking statements. Current conditions, economic and otherwise, render assumptions, although reasonable when made, subject to greater uncertainty. Additional key assumptions that have been made in relation to the operation of our business as currently planned and our ability to achieve our business objectives include, among other things:

- that future business, regulatory and industry conditions will be within the parameters expected by us, including with respect to prices, margins, demand, supply, product availability, supplier agreements, availability and cost of labor and interest, exchange, inflation and effective tax rates;
- assumptions with respect to global economic conditions and the accuracy of our market outlook expectations for 2023 and in the future;
- the adequacy of our cash generated from operations and our ability to access our credit facilities or capital markets for additional sources of financing;
- our ability to achieve our performance targets; and
- our ability to successfully implement new initiatives and programs.

Although the Company has attempted to identify crucial factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The reader is cautioned not to place undue reliance on forward-looking information. Factors that may cause actual results to differ materially from expected results described in forward-looking statements include, but are not limited to, the risk factors set out herein. Readers are cautioned that the list of risks set out herein is not exhaustive.

The forward-looking information included herein is expressly qualified by this cautionary statement and is made as of the date hereof. Management undertakes no obligation to publicly update or revise any forward-looking information except as required by applicable securities laws. Certain statements included herein may be considered “financial outlook” for the purposes of applicable securities laws. Financial outlook is provided for the purposes of assisting the reader in understanding the Company’s financial performance and measuring progress towards management’s objectives and the reader is cautioned that it may not be appropriate for other purposes.

The risks and uncertainties affecting the forward-looking information contained in this MD&A are described in greater detail in the 2022 AIF.

For the three months ended December 31, 2022, there have been no changes to the risks and uncertainties that have materially affected, or are reasonably likely to materially affect, the Company’s forward-looking information.

10. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires the Company to make estimates and judgments that affect the reported amounts of the assets, liabilities, revenues and expenses reported each period. Each of these estimates varies with respect to the level of judgment involved and the potential impact on the Company's reported financial results. Evaluations of estimates and judgments occur continuously. Estimates and judgments are based on historical experience and other factors including expectations of future events that are considered reasonable under the circumstances. If the Company's financial condition, change in financial condition or results of operations would be materially impacted by a different estimate or a change in estimate from period to period, estimates are deemed critical. By their nature, these estimates are subject to measurement uncertainty, and changes in these estimates may affect the financial statements of future periods (see Note 4 in the 2022 Consolidated Financial Statements).

11. CONTROLS AND PROCEDURES

The Company maintains controls and procedures, including disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") as defined in National Instrument 52-109. The Company's DC&P are intended to provide reasonable assurance that information required to be disclosed by the Company in its filings is communicated and reported accurately and timely. The Company's ICFR is intended to provide reasonable assurance regarding the reliability of the Company's financial reporting for external purposes in accordance with IFRS.

The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, there are inherent limitations in any system of DC&P and ICFR, including the possibility of human error, assumptions used in prevention or detection of control issues, circumvention of controls and procedures, collusion of two or more people, or unauthorized overriding of controls. Accordingly, even properly designed and effective controls and procedures can only provide reasonable, not absolute, assurance of achieving their objectives.

The Company has identified certain risks in its controls and procedures related to segregation of duties resulting from limited administrative staffing and certain manual tasks. The Company is mitigating such risks through various cost-effective measures, including automated processes and increased management oversight.

For the three months ended December 31, 2022, there were no changes to the Company's controls and procedures that have materially affected, or are reasonably likely to materially affect, the Company's DC&P and ICFR.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's controls and procedures based on the framework and criteria established in Internal Control – Integrated Framework (2013) as issued by the Committee of Sponsoring Organizations of the Treadway Commission and concluded that the Company's DC&P and ICFR were effective at a reasonable assurance level as at December 31, 2022.

12. OTHER DISCLOSURES

RELATED PARTY TRANSACTIONS

The Company's related party transactions include key management compensation arrangements and debt from CLF, its principal shareholder. During 2022, the Company repaid all related party debt in full (see Notes 11 and 23 in the Consolidated Financial Statements).

QUALIFIED PERSON

Unless otherwise indicated, the responsible Qualified Person, as defined by NI 43-101, who has reviewed and approved the technical information sourced from the latest respective technical reports and contained in this MD&A regarding Mineral Resources for Conda, Farim and Paris Hills is Jerry DeWolfe, Professional Geologist (P.Geo.) with the Association of Professional Engineers and Geoscientists of Alberta. Mr. DeWolfe is a full-time employee of Golder Associated Ltd. and is independent of the Company.

Unless otherwise indicated, the responsible Qualified Person, as defined by NI 43-101, who has reviewed and approved the technical information sourced from the latest respective technical reports and contained in this MD&A regarding Mineral Reserves for Conda and Farim is Edward Minnes, Professional Engineer (P.E.) licensed by the State of Missouri. Mr. Minnes is a part-time employee of Golder Associates USA Inc. and is independent of the Company.

Unless otherwise indicated, the responsible Qualified Person, as defined by NI 43-101, who has reviewed and approved the technical information sourced from the latest respective technical reports and contained in this MD&A regarding Mineral Resources for Arraias, Santana and Araxá is Carlos Guzmán, FAusIMM (229036), Mining Engineer, RM (Chilean Mining Commission). Mr. Guzmán is a full-time employee of NCL Brasil Engenharia Ltda. and is independent of the Company.

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